Fourth Progress Report

on the Six-Point Action Plan for Strengthening Administration of Grants and Contributions

April 2001

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1. Executive Summary

One of the key commitments in the Six-Point Action Plan was to report to Canadians on the efforts of Human Resources Development Canada (HRDC) to strengthen the administration of grants and contributions. The first three progress reports covered the period of January to November 2000.

This Fourth Progress Report covers the period of December 2000 to March 2001.

During this period of time, HRDC has made substantial progress on its commitments:

- ✓ PricewaterhouseCoopers, an independent consulting firm, has completed a second review of the Department's implementation of the Six-Point Action Plan and has concluded that HRDC has fulfilled or is on schedule to fulfill all of the commitments in the Six-Point Action Plan.

- ✓ All of the major elements of the Six-Point Action Plan are in place. Of the 38 sub-elements in the plan, 14 relate to ongoing commitments such as training staff, reporting to Parliament, and developing new information systems. Each of these items is proceeding on schedule. All of the remaining 24 sub-elements have been completed.

- ✓ HRDC has continued to implement its Program Management Initiative, a further measure to strengthen the management of grant and contribution programs. Under the first phase of this initiative, clearly defined objectives and results-based accountability frameworks have been developed for all programs.

- ✓ The Department has continued to implement modern comptrollership practices to ensure that HRDC sustains its efforts to strengthen the management and administration of grant and contribution programs. More than 1,250 managers have attended courses covering such topics as performance information, values and ethics, resources management, and how to apply the principles of risk management.

- ✓ HRDC has continued to provide appropriate training to staff. In addition to the 3,000 employees who received training on the fundamentals of financial control in January and February 2000, more than 1,630 program delivery officers have attended formal departmental courses since April 2000.

- ✓ HRDC has met its commitment in the Six-Point Action Plan to review a sample of closed files from 1998 and 1999. The Department reviewed 516 of the most complex files from this period and found 35 overpayments totaling $430,000, which represents 0.2 per cent of the value of these project files. HRDC has collected $330,000 of the overpayments and will continue action to collect the remainder.

- ✓ HRDC has received advice from PricewaterhouseCoopers, an external consulting firm, stating that it is not cost-effective to review additional closed files. PricewaterhouseCoopers recommends that the Department focus its efforts on the Performance Tracking Directorate as a means of ensuring adherence to required documentation standards.

- ✓ HRDC is weighing the advice of PricewaterhouseCoopers, especially their recognition of the Performance Tracking Directorate's role in strengthening the administration of grants and contributions. The Department will also be consulting with Treasury Board Secretariat and the Auditor General on next steps.

- ✓ The Performance Tracking Directorate has again confirmed "that there continue to be significant, measurable improvements in the overall administration of grants and contributions since the 1999 Internal Audit Bureau report."

2. Independent Confirmation – Implementation of the Action Plan

One of the key commitments in the Six-Point Action Plan was to arrange for and report publicly on independent assessments of progress on the plan.

In keeping with that commitment, the Department engaged PricewaterhouseCoopers to carry out an independent assessment of the plan's implementation. The consultants were asked to report in June 2000 and January 2001.

In their first report on June 23, 2000, the consultants noted that senior departmental management was focusing attention on the plan and that the Department had acted quickly to set up a project team to oversee implementation. They reported that almost all major commitments were on track.

In their second assessment in January 2001, PricewaterhouseCoopers found that the Department has fulfilled or is on schedule to fulfill all of its commitments. Minor delays were identified relating to a revised training module, for which a new target date has been established, and training on a computerized information system and the completion of the dormant file review, both of which have since been completed.

In addition to the assessment by PricewaterhouseCoopers, the Auditor General examined the Department's implementation of the Action Plan during his recent audit. Speaking at the Public Accounts Committee on March 20, 2001, the Auditor General stated that "... we found that the Department was making good progress in implementing corrective action."

The Executive Summary of the PricewaterhouseCoopers report is attached as Appendix I.

3. Status Report on the Six-Point Action Plan

Since January 2000, the Department has issued three progress reports, in May, August, and December 2000. These reports have described the work undertaken by the Department to implement the plan.

Now, 15 months later, the major elements of the plan are in place. Of the 38 sub-elements in the plan, 14 relate to ongoing commitments such as training staff, reporting to Parliament, and developing new information systems. Each of these items is proceeding on schedule. Of the remaining 24 sub-elements, all are now complete.

The Six-Point Action Plan has resulted in major accomplishments. Specifically, HRDC has:

- ✓ Issued clear directions on the documentation that must be in place before any grant and contribution payment can be issued.
- ✓ Examined and closed every file reviewed in the 1999 internal audit.
- ✓ Reviewed a sample of dormant project files from 1998 and 1999.
- ✓ Reviewed in the winter and spring of 2000 all 17,000 grant and contribution project files that were active at that time and brought each of them up to standard.
- ✓ Provided staff with policy directives and work instruments to ensure that all projects are administered consistently and correctly. For example, staff have been provided with guidance on the appropriate use of programs and with a model file illustrating precise documentation requirements.
- ✓ Standardized departmental training courses, determined which courses are mandatory, and provided appropriate training to managers and staff. In addition to the more than 3,000 employees who received training on the fundamentals of financial control in January and February 2000, more than 1,630 program delivery officers have attended formal departmental courses since April 2000.
- ✓ Reallocated resources to strengthen the delivery of grants and contributions.
- ✓ Strengthened the departmental management control framework by introducing a quality assurance process, a post-audit program, and a Performance Tracking Directorate.

In addition, the Department is committed to improving information systems to improve the management and administration of grants and contributions. Work on a new system that will fully integrate financial and project information is on schedule to be completed by December 2002.

The status of each Six-Point Action Plan commitment is described in the chart in Appendix II.

4. Status Report on Additional Measures to Strengthen Grants and Contributions

In February 2000, the Auditor General stated that the Six-Point Action Plan "represented a thorough approach to corrective action on the more immediate control problems identified in the internal audit." He also noted that the plan included "some longer-term actions that strengthened the approach."

The Auditor General's report of October 2000 specifically noted that the Department had subsequently "put in place other initiatives for broader corrective action needed." Specifically, HRDC has:

- ✓ Undertaken a Program Management Initiative to develop clearly defined objectives and results-based accountability frameworks for all grant and contribution programs. The results of this initiative are described in Section 5 of this report.

- ✓ Improved program information for Canadians. In December 2000, HRDC published descriptions of all grant and contribution programs on its web site and also made the same information available to Members of Parliament. This material includes information on eligibility criteria and on how to apply.

- ✓ Reorganized the Department's internal structure and practices to improve management and accountability.

- ✓ Continued to implement modern comptrollership practices to strengthen management and delivery of programs and services. To date, more than 1,250 departmental managers have attended modern comptrollership courses, covering topics such as performance information, values and ethics, resources management, and how to apply the principles of risk management.

5. The Program Management Initiative

HRDC initiated the Program Management Initiative in May 2000 as a further measure to strengthen the management of grant and contribution programs. Under the first phase of this initiative, HRDC undertook to ensure clear program objectives and results-based accountability frameworks for all grant and contribution programs by March 31, 2001.

This commitment has been fully realized. Frameworks have been developed which include a full description of the program, a logic model on the funding strategy, descriptions of roles and responsibilities, performance measures, audit and evaluation plans, and a reporting framework.

The second phase of the initiative is scheduled for completion by December 31, 2002. In keeping with the new Treasury Board Policy on Transfer Payments, it is focused primarily on renewal and approval of appropriate terms and conditions for grant and contribution programs by Treasury Board Ministers.

6. The Dormant File Review

During the winter and spring of 2000, the Department reviewed all 17,000 grant and contribution project files that were active at that time. This review brought all active files up to acceptable standards of documentation. Since that time, the Performance Tracking Directorate has been sampling regularly from all new projects across the country. Performance Tracking results demonstrate that the Department continues to show significant and measurable improvements in the administration of grants and contributions.

In addition to the active file review, the Department made a commitment under the Six-Point Action Plan to review a sample of dormant project files from 1998 and 1999 to determine whether there were any overpayments or other significant administrative issues outside of those identified in the 1999 audit.

PricewaterhouseCoopers was engaged to develop and recommend a process to identify appropriate project files from those two years. This methodology was used to identify 516 of the most complex project files from the major grant and contribution programs. This sample included projects that were delivered from national headquarters and from all 10 regions across the country.

HRDC staff completed the dormant file review using a comprehensive checklist similar to the one used during the active file review.

In keeping with a recommendation from the Auditor General to put a quality control procedure in place, the Grants and Contributions Project Team and Internal Audit staff reviewed the results and conducted on-site reviews in every region. Based on this procedure, the Department selected 174 project files for a more detailed review. This work was completed in January 2001.

The final results confirm the information reported by the Department at the Public Accounts Committee on March 20, 2001. The 516 projects had a value of $211.1 million. The Department found 35 overpayments totaling $430,000, which represents 0.2 per cent of the value of these project files. These results are broadly consistent with other reviews of HRDC's files.

Just over $330,000 of the overpayments have been collected and action will continue to recover the balance.

HRDC re-engaged PricewaterhouseCoopers to examine the Department's work and to advise whether it is cost-effective to review additional files.

The independent consultants have determined that reviewing dormant files is an extremely labour-intensive process and they have advised the Department that it is not cost effective to examine additional dormant files.

Their advice also recognizes the innovative process the Department has put in place with the Performance Tracking Directorate. They recommend that the Department focus its efforts on the Directorate to ensure adherence to required documentation standards throughout the project life cycle.

> **"We recommend that no additional 'stand-alone' work on dormant files be carried out by regions and nationally delivered program units at National Headquarters similar to that carried out during 2000."**
>
> ***PricewaterhouseCoopers Assessment March 2001***

HRDC is weighing the advice of PricewaterhouseCoopers, especially their recognition of the Performance Tracking Directorate's role in strengthening the administration of grants and contributions. The Department will also be consulting with Treasury Board Secretariat and the Auditor General on next steps.

PricewaterhouseCoopers made two other recommendations to further strengthen the administration of grant and contribution programs at HRDC. They recommended that the Internal Audit Bureau examine the operations of the Performance Tracking Directorate as part of its regular cyclical review. They also suggested that a procedure be added to the grants and contributions operations manual requiring the use of a third party when HRDC identifies a file that requires closer scrutiny. The Department has accepted both of these recommendations.

The full text of the PricewaterhouseCoopers report is included in Appendix IV.

7. Performance Tracking Results – March 2001

HRDC established the Performance Tracking Directorate to examine and report quarterly on how well the Department is complying with legislation and policies governing the administration of grants and contributions. Over time, the reviews will give a complete indication of whether the Department has met and maintained the required standards as projects pass through the key elements of their life cycle. This cycle begins with the receipt of applications and continues until the project is completed and the file is closed.

The first two reports of the Performance Tracking Directorate were published in August and December 2000. The files for the first report were drawn from projects early in their life cycle, providing statistically valid results for only the application, recommendation and approval, and contracting phases of the project life cycle. By the time the second report was published, the Directorate was able to draw project files that were more advanced in their life cycle, thereby yielding valid results for all phases of the cycle except follow-up and evaluation.

> **"This March 2001 quarterly progress report confirms that there continues to be significant, measurable improvements in the overall administration of grants and contributions since the 1999 Internal Audit Bureau report."**
>
> ***Quarterly Progress Report of the Performance Tracking Directorate, March 2001***

The most recent Performance Tracking Report is based on the files drawn for the first two reports plus an additional sample of 58 project files. This resulted in samples of 419 files drawn from 7,600 grant and contribution agreements with start dates between February 1, 2000 and June 30, 2000.

Overall, the cumulative national results show a compliance rate higher than 90 per cent in 54 of the 67 factors for which there are valid review results.

For example:

- ✓ 94.7 per cent of the files had a rationale for funding on file, up from 38 per cent in the 1999 audit.
- ✓ 94.5 per cent of the files showed that the sponsor had been checked for outstanding debt to HRDC, up from 2.6 per cent in the 1999 audit.
- ✓ 99.5 per cent of all agreements were signed by an HRDC official with the correct delegation of authority, up from 86.6 per cent in the 1999 audit.
- ✓ 99.4 per cent of payments were approved with the correct delegation of authority under Section 34 of the *Financial Administration Act*, up from 70.9 per cent in the 1999 audit.
- ✓ 96.6 per cent of the files were monitored for compliance with the agreement, up from 23.4 per cent in the 1999 audit.

In keeping with its mandate to identify areas requiring improvement, the Performance Tracking Directorate also identified the following areas for improvement:

- ✓ Assessment documentation, particularly demonstrating the assessment of proposed project costs and including formal confirmation of funding from other sources
- ✓ Preparation of contribution agreements, particularly in relation to the articles of agreement and the inclusion of terms of disposition of project revenue in the case of revenue generating projects
- ✓ Commitment of funds prior to HRDC signing agreements and signing agreements prior to the funding period start dates
- ✓ Amendment of cash flow forecasts whenever claims vary from forecasted expenditures by 15 per cent or more.

The Performance Tracking results demonstrate the immediate and positive impact of the Department's efforts to strengthen the administration of grants and contributions. However, it is important to note that the three Tracking Directorate reports to date are based on files that started in the five months following the launch of the Six-Point Action Plan. There have been several actions to improve administration since that time. For example:

- ✓ The Department provided program delivery officers with a "model file" setting out specific file documentation standards.
- ✓ More than 1,630 employees have attended training in various aspects of program delivery.
- ✓ The Department has strengthened the internal web site for grants and contributions delivery staff, adding a new operations manual, clearer communication of policies and guidelines, and a question and answer service for staff.

The complete Performance Tracking Directorate report forms Appendix III of this report.

8. Conclusion

As outlined in this report, HRDC has achieved a great deal since the internal audit was released in January 2000. The Department has fulfilled, or is on schedule to fulfill, all of the commitments in the Six-Point Action Plan. The Department has undertaken additional measures to broaden the scope of its corrective action. Performance Tracking results are showing that there have been significant and measurable improvements in the administration of grants and contributions.

Nonetheless, the Department recognizes that it still has more work to do. As the Auditor General indicated in October 2000, HRDC "needs to make today's extraordinary effort tomorrow's routine." In addition, there is always the challenge of getting the right balance between service to Canadians and financial accountability. The Department is committed to making the changes that are required to sustain these improvements and to reporting to Parliament on its progress.

Appendices

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II. Detailed Report on the Status of the Six-Point Action Plan to Strengthen Grants and Contributions

III. Quarterly progress Report of the Performance Tracking Directorate – March 2001

IV. Grants and Contributions Assessment of Dormant File Review Report – PricewaterhouseCoopers – March 2001

Appendix 1

Executive Summary of the PricewaterhouseCoopers Assessment of the Implementation of the Six-Point Action Plan

March 2001

PRICEWATERHOUSECOOPERS

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March 22, 2001

Dear Mr. Braiter,

Independent Assessment of the Implementation of HRDC's Grant and Contribution Action Plan: Final Report

In April 2000, PricewaterhouseCoopers was contracted to conduct an independent assessment of the implementation of HRDC's Grant and Contribution Action Plan. This assessment was to be conducted in two phases. Phase One of the assessment was completed in June 2000 and we provided you with the interim Phase One report at that time. We have now completed Phase Two of our assessment and are pleased to enclose, for your review, our Phase Two final report.

After having conducted extensive interviews and reviewed supporting documentation, we conclude that HRDC has virtually completed all the commitment activities in support of the Action Plan, with only minor exceptions related to delays in two sub-elements for which new target dates for completion have been established, and one partially completed activity with respect to the dormant file review. Full details are provided in the attached report.

Should you have any questions or comments related to this report, please do not hesitate to contact me at (613) 237-3702. We would like to take this opportunity to thank the many employees at HRDC who provided us with their full co-operation and support that enabled us to complete our work in support of this assignment.

Yours sincerely,

John S. Moskalik
PricewaterhouseCoopers LLP

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and other members of the worldwide PricewaterhouseCoopers organization.

PRICEWATERHOUSECOOPERS

Executive Summary

Introduction:
PricewaterhouseCoopers LLP, as Part II of its two-part assignment, is pleased to provide the final report of its findings with respect to the progress of implementation conducted by Human Resources Development Canada (HRDC) against the Department's Grant and Contribution National Action Plan (the "Six-Point Plan"). The purpose of the Six-Point Plan was to strengthen the administration of grants and contributions.

Timeframe of Report:
This Part II report presents the final findings of progress as up to January 15, 2001. The Part I preliminary report for progress up to May 15, 2000 was previously provided under cover of our letter dated June 23, 2000.

Elements of the Six-Point Plan:

Point 1: Ensure payments meet financial and program requirements
Point 2: Check and correct problem files
Point 3: Equip and support staff
Point 4: Ensure accountability for results
Point 5: Get the best advice available
Point 6: Report progress to the public and staff

Within each of the above Points are a series of commitments that were to be undertaken in order to address the Six-Point Plan requirements.

Scope of the Review:
In reviewing the degree of progress against the Six-Point Plan, we focused on the following questions:

- What activities/products are planned to meet each commitment under the Plan?
- Are planned activities appropriate to achieve the commitments?
- Have activities occurred as planned?

Our assessment uses the original Six-Point Plan and respective commitments for each Point as the baseline. Our assessment does **not** include commenting on the comprehensiveness of the Six-Point Plan itself, nor whether the specific commitments for each of the six Points adequately address each Point.

General Assessment of Progress Against Plan:
The Department was successful in quickly implementing a management structure and mobilizing a Grant and Contribution project team to effectively execute the Six-Point Plan. Substantial senior level management involvement was devoted to ensure progress in achieving the various activities that support the commitments under each of the six points of the Plan. Five task teams were formed to address immediate requirements with respect to: Policy; Aboriginal Programs; Systems; Supporting People; and, Training and Tools. The activities of the Grant and Contribution project team and the five task teams have been transitioned to the new, permanent management and accountability structures within HRDC.

The Department has completed virtually all activities that support achieving the commitments against each of the six points of the Plan. Two minor exceptions to overall completion relate to sub-activities involving (a) completion of selected staff training on a computerized financial system, and (b) completion of a revised Environmental Assessment training module. One activity remains partially complete at the time of this report, specifically completion of the dormant file review. Aside from these noted

exceptions, the activities to support the commitments under the Six-Point Plan are considered to be complete. A detailed reporting of the activities that support achieving the commitments for each of the six points is provided in the attached presentation entitled "Assessment of Progress against the Grant and Contribution National Action Plan, Part II," dated February 28, 2001. A summary table representing completion against the Plan is provided in Figure 1, below.

Figure 1.

Section	Number of Commitments	Complete / Complete & Ongoing	Complete with Minor Exceptions	Partially Complete
Point 1: Ensure Payments Meet Financial & Program Requirements	5	5		
Point 2: Check & Correct Problem Files	5	4		1
Point 3: Equip and Support Our Staff	7	5	2	
Point 4: Ensure Accountability for Results	9	9		
Point 5: Get the Best Advice Available	6	6		
Point 6: Report Progress to the Public and Staff	6	6		
Total	**38**	**35**	**2**	**1**

Appendix 2

Detailed Report on the Status of the Six-Point Action Plan to Strengthen Grants and Contributions

Section 1 – Ensure Payments Meet Financial and Program Requirements

Action Plan Commitment	Status
1.1 Directives will be issued that no payments will be made without written verification that five essential criteria are met	√ Completed – directive issued in January 2000
1.2 Follow-up training will be provided to ensure good understanding of this directive by all program delivery and financial staff	√ Completed – follow-up training delivered to more than 3000 employees in February 2000
1.3 Confirmation of program criteria (differentiated by program as needed) to be met in reviewing active and new files for completeness	√ Completed – comprehensive checklist issued in February 2000
1.4 Review of all active contribution agreements to ensure files are complete (i.e., meet essential financial and program criteria)	√ Completed – all 17,000 active files were reviewed by April 30, 2000
1.5 Track performance by conducting regular monitoring—includes review of a sample of active files and field visits	Ongoing – the Performance Tracking Directorate has issued three quarterly reports in August and December 2000 and in March 2001. All three reports show significant and measurable improvement in the administration of grants and contributions.

Section 2 – Check and Correct Problem Files

Action Plan Commitment	Status
2.1 Review 37 files flagged for further analysis and carry out needed follow-up, if any	√ Completed – all files were reviewed by March 14, 2000
2.2 Develop cost-effective screening method for reviewing closed files for 99-00 and 98-99 to identify those most likely to require further analysis; method to be reviewed independently	√ Completed – screening methodology developed in March 2000
2.3 Apply screening method, review files, and complete follow-up as needed	√ Completed – 516 of the most complex dormant files from 1998 and 1999 have been reviewed. HRDC found 35 overpayments totaling $430,000, which represents 0.2 per cent of the value of these project files. More than $330,000 has since been collected.
2.4 Based on effectiveness of this review, determine (with independent advice) the cost-effectiveness of reviewing earlier closed files	√ Completed – HRDC has received advice from independent consultants that it is not cost effective to review additional dormant files. HRDC is weighing the advice and will be consulting with Treasury Board and the Auditor General on next steps.
2.5 In all cases, whatever action is warranted will be taken (e.g. establish and recover overpayments, refer for further investigation)	Ongoing – in all cases appropriate steps are being taken to establish and collect overpayments

Section 3 – Equip and Support Our Staff

Action Plan Commitment	Status
3.1 Provide direction, tools, training and additional resources as needed	√ Completed – operational policies have been developed and implemented as required, such as the guidelines on appropriate use of programs in June and the national project monitoring policy in September 2000; new Treasury Board (TB) Policy on Transfer Payments implemented in September 2000
3.2 Seek the views and concerns of program and financial staff at NHQ, regional and local offices regarding issues relating to the management of grants and contributions; incorporate the results as appropriate	Ongoing – formal staff consultations were held in April 2000; staff feedback continues to be reflected in operational policy, work instruments, and training courses
3.3 Provide better tools (including better information systems), to simplify management and monitoring of projects	Ongoing – program delivery staff have improved tools to assist them in delivering grants and contributions, such as the contribution project file (September 2000), an information pamphlet for sponsors (July 2000), and a new operations manual (October 2000); improvements to departmental information systems are on schedule

Section 3 – Equip and Support Our Staff (cont'd)

Action Plan Commitment	Status
3.4 Assess workload and staff capacity associated with renewing the management of grants and contributions, and determine resource, classification, staffing, and training needs	√ Completed – $50 million was reallocated in July 2000 from within existing budgets to increase the number of staff to administer grants and contributions; new structures were developed in June 2000 for local office delivery, including the establishment of senior operational consultants in large HRCCs; a new quality assurance process was introduced in June 2000 to detect and correct errors at the earliest possible time
3.5 Determine needs and conduct training to ensure staff have the knowledge necessary to carry out the tasks expected	Ongoing – a training needs identification instrument was implemented in August 2000; a national training policy was implemented in November 2000 specifying mandatory training courses for program delivery staff; a full suite of new and updated training modules are now available for program delivery staff; 1,637 staff have already participated in these courses; an additional 1,250 managers have attended an introduction to modern comptrollership course

3.6 Arrange temporary additional resources to support the Action Plan, including strengthening the Grants and Contributions Management Renewal Office	**√ Completed – temporary resources were made available for the active file review in February and March 2000**
3.7 Assess staff response as a standing item on National Management Board Agenda	**√ Completed – staff response reviewed and acted on throughout the implementation of the Action Plan**

Section 4 – Ensure Accountability for Results

Action Plan Commitment	Status
4.1 Make requirement to implement Action Plan part of basic job requirements for all EXs and other managers involved in managing grants and contributions	√ Completed – all departmental executives with responsibility for grants and contributions are explicitly accountable for implementing the Action Plan
4.2 Report quarterly to Minister in two parts • report on the National Performance Tracking Directorate • report on progress against the Action Plan	Ongoing – progress reports issued in May, August and December 2000 and in April 2001; Performance Tracking reports released in August and December 2000 and in March 2001
4.3 Report to Parliament through Committee and through the Plans and Priorities document and Departmental Performance Report	Ongoing – departmental officials testified at the Standing Committee between February and May 2000 and at the Public Accounts Committee in March 2001; the Government responded to the Standing Committee's report in October 2000
4.4 Review and confirm or amend accountability and management structures and work processes (including segregation of duties, post-audits) relating to grants and contributions, to ensure clarity and effectiveness	√ Completed – structural changes introduced in local offices in June 2000 to introduce a quality assurance initiative and to increase expertise available to program delivery staff; post-audit reintroduced in June 2000

Section 4 – Ensure Accountability for Results

Action Plan Commitment	Status
4.5 Eliminate all instances of computer users having more than one active code	√ Completed – all instances eliminated in February 2000
4.6 Keep staff informed through monthly progress bulletins	Ongoing – departmental staff are kept informed by closed-circuit TV broadcasts and periodic bulletins
4.7 Report every other week to regular national senior managers' conference call (standing item)	√ Completed – national conference calls were held on major implementation issues
4.8 Assess cost-benefit of applying ISO 9000 or similar quality assurance tool	√ Completed – assessment completed in February 2000; ISO 9002 pilot now underway in PEI
4.9 Get outside expert advice to assess and comment on adequacy of progress on the Action Plan	√ Completed – final assessment by PricewaterhouseCoopers in March 2001 concluded that HRDC has fulfilled or is on schedule to fulfil all of its commitments in the Six-Point Action Plan.

Section 5 – Get the Best Advice Available

Action Plan Commitment	Status
5.1 Consult with TB Comptrollership Standards Advisory Board, the Office of the Auditor General, and key DM colleagues, and incorporate their advice into the Action Plan	√ Completed – consultations completed in January 2000 and advice incorporated into the Action Plan
5.2 Obtain an independent assessment of the Action Plan from a senior private sector financial expert	√ Completed – independent advice incorporated in January 2000
5.3 Exchange information and best practices with other federal departments that manage significant grants and contributions programs	Ongoing – HRDC has consulted other departments and exchanged best practices on the administration of grants and contributions
5.4 Draw on expertise of experienced HRDC local, regional and national staff	√ Completed – the project team implementing the Six-Point Action Plan was drawn from local, regional, and national staff
5.5 Review progress quarterly with co-chairs (or delegates) of the TB Comptrollership Standards Advisory Board	√ Completed – consultations completed
5.6 Meet monthly with the Assistant Auditor General to review progress	Ongoing – senior departmental officials consult regularly with staff of the Office of the AG

Section 6 – Report Progress to Public and Staff

Action Plan Commitment	Status
6.1 External – inform sponsors and partners of plans and progress	√ Completed – HRDC staff informed sponsors of departmental plans in February 2000 and have subsequently kept sponsors informed of progress
6.2 External – brief the press on quarterly reports	Ongoing – Progress Reports, Performance Tracking Directorate Reports, the Government response to the Standing Committee, and HRDC's management response to the Auditor General have been released to the media and published on HRDC's Web site
6.3 External – correct misinformation as appropriate	Ongoing
6.4 Internal – Minister and DM to speak to all program delivery staff about Action Plan, using closed circuit TV	Ongoing – staff have been kept informed using closed-circuit TV and bulletins
6.5 Internal – develop a communications strategy that will provide regular communications with all staff using a variety of formats including bulletins, web site, close circuit TV, etc.	√ Completed – communications strategy developed in February 2000
6.6 Internal – DM and Associate DM will schedule roundtable discussions with a cross-section of staff on all visits to regional or local offices	Ongoing – regular discussions have been held in local and regional offices across the country

Appendix 3

Quarterly Progress Report of the Performance Tracking Directorate

March 2001

Human Resources Development Canada | Développement des ressources humaines Canada

The National Grants and Contributions

Performance Tracking Directorate

Financial and Administrative Services

March 2001

Quarterly Progress Report

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EXECUTIVE SUMMARY

1. OBJECTIVE

The principal objective of this report is to assess the extent to which Human Resources Development Canada (HRDC) has strengthened its administration of grants and contributions since the 1999 Internal Audit Bureau (IAB) audit results.

2. BACKGROUND

Human Resources Development Canada established the National Grants and Contributions Performance Tracking Directorate (PTD) in the fall of 1999 to support the work of strengthening the administration of grants and contributions in the Department. The PTD provides a quality control mechanism for HRDC to measure its improvement in the administration of grant and contribution programs. The PTD is part of the Financial and Administrative Services Branch of HRDC.

The PTD's mandate is to:

- provide assurance that grant and contribution funds are being managed and expended in accordance with program terms and conditions;
- highlight key areas of risk and provide guidance on approaches to mitigate those risks;
- contribute to knowledge transfer throughout the Department; and
- coordinate activities with other monitoring and post-audit functions carried out within HRDC and by external agencies to ensure adequate coverage, without duplication of effort.

PTD reviews provide the Department with ongoing and detailed information on its level of compliance with required and expected administrative standards for grants and contributions. Over time, the reviews will demonstrate whether the Department is meeting and maintaining the standards it has set for itself through the Six-Point Action Plan on Grants and Contributions.

This report measures improvements made by HRDC up to June 30, 2000. It should be recognized that the Department has taken additional measures to implement its Action Plan since then through:

- the creation and national distribution of a "model file" setting specific file documentation standards;
- the establishment of a national question and answer service;
- the drafting of an operations manual;
- the strengthening of HRDC grant and contribution administration policy;
- more effective communication of policy interpretation and guidelines;
- extensive training; and
- improvements to the national grant and contribution Web site.

The impact of these additional measures will be reflected in subsequent PTD reviews as grant and contribution activities are assessed following their implementation.

The first PTD quarterly progress report was released in August 2000. It reviewed a random sample of 142 files drawn from a population of 1,534 grant and contribution agreements with start dates between February 1, 2000 and March 31, 2000. While the first report provided statistically valid results at the national level for the majority of activities in the project life cycle, it could not provide statistically valid results for some activities. At that time, most files reviewed were still in the early stages of the project life cycle.

The second PTD quarterly progress report released in December provided an assessment of a random sample of 274 files (covering both national and program level sampling requirements) drawn from a population of 2,460 grant and contribution agreements with a start date between February 1, 2000 and April 30, 2000. This report was able to provide results on the administration of programs covering the majority of activities in the project life cycle. In addition to providing statistically valid results at the national level, the PTD's second report provided equivalent results at the program level for the following six program areas reviewed: Labour Market, Youth, Learning and Literacy, Human Resources Partnerships, Labour, and Official Languages for Minority Groups.

3. SCOPE AND METHODOLOGY

For all national results released in this report, samples have been drawn from the HRDC grant and contribution program population, which includes Labour Market, Learning and Literacy, Social Development, Aboriginal Relations, Youth, Human Resources Partnerships, Official Languages for Minority Groups, Labour, and Homelessness. Provincially managed programs, individual income support payments, individual skill development agreements and Summer Career Placement files have not been included in the review sample.

This March 2001 PTD quarterly progress report provides a:

a) National Cumulative Analysis by Business Process (Appendix 1)

This analysis presents the combined results of all PTD national file reviews conducted to date. The national results combine three independent random samples drawn from the grant and contribution population with start dates between February 1, 2000 and June 30, 2000. It should be noted that of the 419 files included in this report, the majority (86%) of these files had start dates between February 1 and April 30.

Results can be extrapolated to the full population with a confidence interval of 90% and a precision of + or – 5% or better.

b) Regional Cumulative Analysis By Region (Appendix 2)

This analysis summarizes by region, the results of all PTD reviews conducted to date. The results for Ontario are statistically valid with a confidence level of 90% and a precision of + or – 5% or higher. For Newfoundland, Nova Scotia, Quebec, British Columbia and National Headquarters, the results are statistically valid with a confidence level of 90% and a precision of + or – 7.5% or higher. The results for the remaining regions are not statistically valid and are presented for information only.

The regional cumulative results combine three independent random samples drawn from the grant and contribution population with start dates between February 1, 2000 and June 30, 2000. Again, it should be noted that of the total 419 files included in this report, the majority (86%) of these files had start dates between February 1 and April 30.

c) National Quarterly File Review Analysis By Business Process (Appendices 3 & 4)

This analysis summarizes the results of the file reviews conducted by the PTD since the Second Quarterly Progress Report released in December 2000. The files selected for this review were randomly sampled from a population of 7,600 national grant and contribution files with a start date between February 1, 2000 and June 30, 2000.

The file review was completed between November 2000 and March 2001. The review included a comprehensive assessment of the administration of HRDC programs, including all phases of the project life cycle (i.e., application, assessment, recommendation and approval, contracting, payments, monitoring, follow-up and evaluation, compliance with terms and conditions, as well as general administration). Reviews were completed on 58 files in total.

The PTD methodology and sampling techniques used enable most results to be extrapolated to the HRDC grant and contribution population as a whole. In order to extrapolate results for each compliance-related question, there must be a sufficient number of responses to questions assessed. This report provides file review results related to 81 compliance questions. In 50 of the compliance areas reported, the compliance rate results can be extrapolated to the full population with a confidence of 90% and a precision of + or – 5% or better. In the remaining 31 compliance areas, the results can only be presented for information purposes. These results provide information on the particular files reviewed but cannot be extrapolated with a high degree of confidence due to the low number of responses applicable to these questions at this time.

d) National Quarterly Financial Review Analysis (Appendix 5)

This analysis summarizes the results of the financial reviews conducted by PTD since its last report released in December. Of the 58 files in the national random sample, 50 files were projects involving financial claims from sponsors. On all of these files, PTD conducted complete financial reviews of all documentation in support of claim forms. The objective of the PTD financial verification process was to ensure that the expenses claimed by sponsors were actual and incurred expenditures, allowable as per the Agreement, and supported by adequate documentation.

Wherever low expenditures were reported on claims, financial reviews were conducted using supporting financial documentation provided by facsimile. Visits to sponsors' locations were conducted on the remainder.

Reviewers used detailed guidelines to assist in completing the financial reviews and reviewed 100% of the documentation in support of claimed amounts. A total of $2,156,986 in claimed expenditures was reviewed. The financial reviews were conducted in January and February 2001.

All PTD results shown have been subjected to a rigorous quality control and validation process. The results of all completed file reviews have been thoroughly assessed by an independent quality control unit within PTD. This group includes professional resources provided under agreement with Consulting and Audit Canada. Following the quality control review, all file observations have been validated through management responses provided by the area responsibility centre. These management responses, including plans for corrective action where required, have been incorporated into the final summary of file results sent to the involved responsibility centres.

To analyze and report on file review results, the PTD used its database to sort results by business process and to consolidate results for each question/criterion assessed. In addition, comparable compliance results from the 1999 IAB audit have been added to the PTD database in order to measure and track progress related to the ongoing administration of HRDC grants and contributions.

4. GENERAL CONCLUSIONS

This March 2001 quarterly progress report confirms that there continues to be significant, measurable improvements in the overall administration of grants and contributions since the 1999 IAB audit. Generally these findings are consistent with the positive trends found in the previous quarterly progress reports.

4.1 - National Cumulative Results

An increase in the level of compliance with grant and contribution administrative requirements is clearly demonstrated in the cumulative national results attached in Appendix 1.

These results show extensive improvement in the administration of grants and contributions since the 1999 IAB audit. Some examples follow.

Application for funding from sponsor on file: The 1999 IAB audit reported that "of the 459 project files reviewed, 15% did not contain an application from the sponsor." Of the files reviewed to date by PTD, there was an application in 99.5% of files.

Rationale for funding on file: The 1999 IAB audit reported that "two thirds of files reviewed did not contain an analysis and/or rationale for recommending or accepting the project." Of the files reviewed to date by PTD, 94.7% were found to have a rationale for funding on file.

Sponsors checked for outstanding debt to HRDC: The 1999 IAB audit reported that "in 97% of the files reviewed, there was no evidence on file that sponsors had been checked for outstanding debt to HRDC prior to project acceptance." Of the files reviewed to date by PTD, there was documentation indicating that sponsors had been checked for outstanding debt in 94.5% of files.

Monitoring projects for achievement of expected results: The 1999 IAB audit observed that "three out of four contribution agreements had no indication of monitoring for achievement of expected results." Of the files reviewed to date by PTD, 95.3% of files for which a monitor was due had monitoring documentation on file. It was apparent from file documentation that the file was monitored for compliance with the agreement in 96.5% of these cases.

Overall, the cumulative national results of PTD reviews show a compliance rate higher than 90% in 54 of the 67 valid review results. Examples of areas requiring continued effort include:

- improved assessment documentation, particularly demonstrating the assessment of proposed project costs and including formal confirmation of funding from other partners;
- more thorough preparation of Agreements, particularly in relation to the Articles of Agreement and the inclusion of terms for disposition of project revenue in the case of revenue generating projects;
- ensuring that funds are committed prior to HRDC signing Agreements and that Agreements are signed prior to the funding period start dates; and
- ensuring that cash flow forecasts are amended whenever claims vary from forecasted expenditures by 15% or more.

4.2 - Regional Cumulative Analysis

In this report, the Performance Tracking Directorate presents a roll-up of file review results on a region by region basis, including National Headquarters. For details on the cumulative analysis by region and NHQ see Appendix 2. For review results relating to specific program areas refer to the Second PTD Quarterly Report released in December 2000.

4.3 - National Quarterly Results

The review performed by the PTD for this quarter generally shows a continuation of the increased level of compliance to departmental and Treasury Board policies and procedures. This sustained improvement in the management and administration of grant and contribution programs at the national level is demonstrated by a compliance rate of 90% or above for 41 of the 51 valid review results.

There are some areas where the compliance rate had increased from what was reported in the last quarter:

In 96.5% of the files reviewed the approval was signed on or prior to the project start date, up from 92.9% in the previous PTD quarterly report.

In 92.9% of the files reviewed, Agreements were signed on or prior to the Agreement start date, up from 84% in the previous PTD quarterly report.

In 97.6% of the files reviewed, the Agreement objectives included measurable timelines or milestones, up from 90.5% in the previous PTD quarterly report.

In 92.7% of the files reviewed, all necessary schedules were included and properly prepared, up from 87.9% in the previous PTD quarterly report.

Examples of areas requiring continued effort include:

- improved assessment documentation, demonstrating the assessment of proposed project costs and that HRDC program objectives have been considered during assessment of proposals;
- adherence to the requirement that an environmental assessment pre-screening form be completed for all files;
- more thorough completion of the Articles of Agreement;
- ensuring that sponsor claim forms are accompanied by all required supporting documentation, if required by Agreement;
- ensuring that projects are monitored based upon a risk assessment and monitoring plan; and
- ensuring that project activities meet HRDC program terms and conditions.

4.4 - Financial Verification Results

Of the 58 files in the national random sample selected this quarter, 50 files were projects involving financial claims from sponsors. Financial reviews were conducted on all 50 of these files. A total of $2,156,986.00 in expenditures was reviewed. Financial observations involving identified or potential adjustments have been raised.

Overall results of the financial reviews are as follows:

- $2,095,586.00 or 97.15% of expenditures reviewed were found to be allowable.
- However, necessary adjustments of $17,118.00 were identified. The required claim adjustments are specifically attributable to expenditures that occurred before Agreement start dates, inappropriate reimbursement of GST, and expenditures identified as not allowable under the terms and conditions of the Agreements.
- $44,282.00 of the amount reviewed requires further review and possible corrective action. The responsibility centres involved in these cases are initiating follow-up.

5. NEXT STEPS

PTD will continue to provide reports on the extent to which HRDC has strengthened its administration of grants and contributions nationally. The national results in the upcoming report will reflect the impact of new policies and measures introduced in response to the Six-Point Action Plan.

APPENDIX 1 - NATIONAL CUMULATIVE ANALYSIS BY BUSINESS PROCESS

FILES STARTING BETWEEN FEBRUARY 1, 2000 AND JUNE 30, 2000

Questions/Criteria Assessment	Answers				PTD Cumulative National Results 419 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
APPLICATION						
Application for funding from sponsor on file	412	2	5	419	99.5%	85.2%
Application was signed by representative of submitting organization	401	11	7	419	97.3%	N/A
Includes objectives and activities	409	3	7	419	99.3%	75.0%
Includes a cost estimate	402	5	12	419	98.8%	89.0%
Includes explanation of results to be achieved	397	15	7	419	96.4%	89.0%
ASSESSMENT						
The written assessment demonstrates that the approved activity supports program objectives	366	49	4	419	88.2%	31.8%
Assessment documentation indicates that proposed costs were evaluated	202	71	4	277	74.0%	N/A
Sponsor was checked for outstanding debt to HRDC	392	23	4	419	94.5%	2.6%
There is formal confirmation of essential funding from other sources	71	29	319	419	71.0%	N/A
MP notification on file, if required by program	55	6	216	277	90.2%	N/A
MP concurrence on file, if mandatory	66	6	347	419	91.7%	57.1%
All other mandatory consultation and concurrence on file	42	0	377	419	100.0%	N/A
Environmental assessment process has been addressed adequately in file	390	22	7	419	94.7%	29.6%
RECOMMENDATION & APPROVAL						
Rationale/Analysis for funding on file	396	22	1	419	94.7%	38.0%
Approval signed with correct delegation of authority	409	8	2	419	98.1%	79.2%
Approval signed on or prior to project start date	239	16	22	277	93.7%	N/A

Questions/Criteria Assessment	Answers				PTD Cumulative National Results 419 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	**Yes**	**No**	**N/A**	**Total**	**Compliance Level**	**Compliance Level**
CONTRACTING						
Agreement is on file	369	0	50	419	100.0%	96.4%
Objectives include measurable timelines/milestones	250	16	153	419	94.0%	N/A
Objectives include measurable statement of quantity	320	14	85	419	95.8%	N/A
Expected results are described clearly	357	12	50	419	96.7%	N/A
Services and/or activities are described clearly	367	2	50	419	99.5%	N/A
Nature of authorized expenses is clear	336	33	50	419	91.1%	83.7%
Agreement reflects all approval conditions	54	3	362	419	94.7%	N/A
The schedule and basis of payment are clear in the Agreement	280	80	59	419	77.8%	N/A
Agreement contains a clause that HRDC may do an audit of costs claimed	361	2	56	419	99.4%	95.7%
Agreement includes provisions for Agreement termination with cause and Agreement termination without cause	361	8	50	419	97.8%	N/A
Agreement states the requirement for the recipient to repay overpayments, unexpended balances and disallowed expenses	359	2	58	419	99.4%	N/A
Text of the Agreement matches the program utilized	354	14	51	419	96.2%	91.9%
All necessary schedules are included and properly prepared	315	52	52	419	85.8%	N/A
Duration of Agreement is stated	368	1	50	419	99.7%	N/A
Agreement includes statement regarding disposition of project revenue	36	7	376	419	83.7%	N/A
Agreement value exceeds approval amount	2	359	58	419	99.4%	N/A
Forecast of cash flow on file if necessary, appropriate to contracted activities, prepared by sponsor, and in agreement with HRDC contracted total	254	7	158	419	97.3%	N/A
Agreement signed on or after project approval date	363	1	55	419	99.7%	N/A
Agreement signed on or prior to Agreement start date	309	60	50	419	83.7%	N/A
Commitment completed prior to HRDC signing Agreement	248	103	68	419	70.7%	N/A
Signed in all required places by HRDC official with correct delegation of authority	366	2	51	419	99.5%	86.6%
Reason for amendment is clear	81	1	337	419	98.8%	61.9%
Approval for increase amendments was signed with correct delegation of authority	44	0	375	419	100.0%	N/A
Amendments signed with correct delegation of authority	71	3	345	419	95.9%	N/A

Questions/Criteria Assessment	Answers				PTD Cumulative National Results 419 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
PAYMENTS						
If advance issued, sponsor was eligible for advance	179	6	234	419	96.8%	N/A
Advance amounts are within Treasury Board limits	178	7	234	419	96.2%	71.3%
Only April forecasted expenditures are paid out of previous year funds	75	0	344	419	100.0%	N/A
All required claim forms are on file	289	8	122	419	97.3%	N/A
Claims are accompanied by activity report and supporting financial documentation if required by Agreement	215	16	188	419	93.1%	N/A
Claim amounts for April support the advance amount issued from the previous fiscal year	56	1	362	419	98.2%	N/A
Math is correct on all processed claim forms	287	4	128	419	98.6%	92.6%
Claim forms are correctly signed by sponsor	287	5	127	419	98.3%	N/A
Budget forecast amended as required	32	21	224	277	60.4%	N/A
Correct delegation of authority according to Section 34	170	1	29	200	99.4%	70.9%
At least two people have initialed/signed/input/approved payment requisition	367	0	52	419	100.0%	N/A
MONITORING						
Monitoring has been done according to plan	227	30	162	419	88.3%	N/A
Monitoring report(s) on file	222	11	186	419	95.3%	44.0%
Project activities were monitored for compliance with Agreement	196	7	216	419	96.6%	23.4%
Financial visits documentation is thorough and accurate	85	10	324	419	89.5%	N/A
Follow-up issues outlined	56	3	360	419	94.9%	N/A
Follow-up initiated or completed	39	5	375	419	88.6%	N/A
FOLLOW-UP & EVALUATION						
The final contribution was paid after receipt of the final claim form, unless early payment was justified on file	71	1	347	419	98.6%	N/A
Summary of outcomes is included on file at the end of project	67	8	344	419	89.3%	N/A
COMPLIANCE WITH TERMS & CONDITIONS						
Project activities meet program terms and conditions	392	25	2	419	94.0%	N/A

Questions/Criteria Assessment	Answers				PTD Cumulative National Results 419 Files	1999 IAB Audit Results 459 Files
***Note*: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.**	**Yes**	**No**	**N/A**	**Total**	**Compliance Level**	**Compliance Level**
GENERAL ADMINISTRATION						
As per February 11, 2000 Senior ADM directive, a life cycle file review checklist is completed and on file	408	6	5	419	98.6%	N/A
Participants meet program eligibility criteria	134	2	141	277	98.5%	N/A
Participant data is transmitted to HRCC and input to NESS	116	12	149	277	90.6%	N/A
HRDC is exercising inappropriate supervisory control and employer/employee relationship may be a problem	3	389	27	419	99.2%	N/A
There are risks related to contravention of *Public Service Employment Act*	0	392	27	419	100.0%	N/A
There are risks related to improper use of contribution funds because the project is supplying goods or services to HRDC	11	381	27	419	97.2%	N/A
There are risks related to liability and public perception	1	391	27	419	99.7%	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

Questions/Criteria Assessment	Answers				PTD Cumulative National Results 419 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
In the case of financial increase amendments, commitment certification was completed prior to HRDC signing amendment	20	14	385	419	N/A	N/A
Forecast of cash flow amended for financial amendments, where required	32	7	380	419	N/A	N/A
MONITORING						
Contributions from other partners were verified on financial visit	18	17	384	419	N/A	N/A
FOLLOW-UP & EVALUATION						
Procedures for disposal of assets are clear	33	0	386	419	N/A	N/A
Assets were disposed of as agreed in file	9	1	409	419	N/A	N/A
Overpayment has been recorded as a receivable and recovery procedures initiated	3	2	414	419	N/A	N/A

APPENDIX 2 - REGIONAL CUMULATIVE ANALYSIS

NEWFOUNDLAND REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 43 Files	1999 IAB Audit Results 459 Files
	Yes	No	N/A	Total	Compliance Level	Compliance Level
APPLICATION						
Application for funding from sponsor on file	43	0	0	43	100.0%	84.6%
Application was signed by representative of submitting organization	43	0	0	43	100.0%	N/A
Includes objectives and activities	40	3	0	43	93.0%	69.2%
Includes a cost estimate	42	1	0	43	97.7%	61.5%
Includes explanation of results to be achieved	41	2	0	43	95.3%	58.3%
ASSESSMENT						
The written assessment demonstrates that the approved activity supports program objectives	37	6	0	43	86.0%	23.1%
Sponsor was checked for outstanding debt to HRDC	43	0	0	43	100.0%	0.0%
Environmental assessment process has been addressed adequately in file	42	1	0	43	97.7%	25.0%
RECOMMENDATION & APPROVAL						
Rationale/Analysis for funding on file	40	3	0	43	93.0%	15.4%
Approval signed with correct delegation of authority	41	2	0	43	95.3%	61.5%
CONTRACTING						
Agreement is on file	43	0	0	43	100.0%	100.0%
Objectives include measurable timelines/milestones	27	3	13	43	90.0%	N/A
Objectives include measurable statement of quantity	34	1	8	43	97.1%	N/A
Expected results are described clearly	41	2	0	43	95.3%	N/A
Services and/or activities are described clearly	43	0	0	43	100.0%	N/A
Nature of authorized expenses is clear	41	2	0	43	95.3%	84.6%
The schedule and basis of payment are clear in the Agreement	38	5	0	43	88.4%	N/A

NEWFOUNDLAND REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 43 Files	1999 IAB Audit Results 459 Files
	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
Agreement contains a clause that HRDC may do an audit of costs claimed	43	0	0	43	100.0%	92.3%
Agreement includes provisions for Agreement termination with cause and Agreement termination without cause	43	0	0	43	100.0%	N/A
Agreement states the requirement for the recipient to repay overpayments, unexpended balances and disallowed expenses	43	0	0	43	100.0%	N/A
Text of the Agreement matches the program utilized	42	1	0	43	97.7%	92.3%
All necessary schedules are included and properly prepared	39	4	0	43	90.7%	N/A
Duration of Agreement is stated	43	0	0	43	100.0%	N/A
Agreement value exceeds approval amount	2	38	3	43	95.0%	N/A
Forecast of cash flow on file if necessary, appropriate to contracted activities, prepared by sponsor, and in agreement with HRDC contracted total	40	0	3	43	100.0%	N/A
Agreement signed on or after project approval date	43	0	0	43	100.0%	N/A
Agreement signed on or prior to Agreement start date	39	4	0	43	90.7%	N/A
Commitment completed prior to HRDC signing Agreement	40	3	0	43	93.0%	N/A
Signed in all required places by HRDC official with correct delegation of authority	43	0	0	43	100.0%	76.9%
PAYMENTS						
All required claim forms are on file	36	3	4	43	92.3%	N/A
Claims are accompanied by activity report and supporting financial documentation if required by Agreement	31	2	10	43	93.9%	N/A
Math is correct on all processed claim forms	36	0	7	43	100.0%	100.0%
Claim forms are correctly signed by sponsor	36	0	7	43	100.0%	N/A
At least two people have initialed/signed/input/approved payment requisition	39	0	4	43	100.0%	N/A
MONITORING						
Monitoring has been done according to plan	36	3	4	43	92.3%	N/A
Monitoring report(s) on file	35	1	7	43	97.2%	46.2%

NEWFOUNDLAND REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 43 Files	1999 IAB Audit Results 459 Files
	Yes	No	N/A	Total	Compliance Level	Compliance Level
COMPLIANCE WITH TERMS & CONDITIONS						
Project activities meet program terms and conditions	41	2	0	43	95.3%	N/A
GENERAL ADMINISTRATION						
As per February 11, 2000 Senior ADM directive, a life cycle file review checklist is completed and on file	43	0	0	43	100.0%	N/A
HRDC is exercising inappropriate supervisory control and employer/employee relationship may be a problem	0	43	0	43	100.0%	N/A
There are risks related to contravention of *Public Service Employment Act*	0	43	0	43	100.0%	N/A
There are risks related to improper use of contribution funds because the project is supplying goods or services to HRDC	0	43	0	43	100.0%	N/A
There are risks related to liability and public perception	0	43	0	43	100.0%	N/A

Other PTD RESULTS

NOTE Not statistically valid due to low numbers reviewed. Provided for information purposes only.

NEWFOUNDLAND REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 43 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
ASSESSMENT						
Assessment documentation indicates that proposed costs were evaluated	18	6	0	24	N/A	N/A
There is formal confirmation of essential funding from other sources	11	1	31	43	N/A	N/A
MP notification on file, if required by program	6	0	18	24	N/A	N/A
MP concurrence on file, if mandatory	16	0	27	43	N/A	100.0%
All other mandatory consultation and concurrence on file	5	0	38	43	N/A	N/A
RECOMMENDATION & APPROVAL						
Approval signed on or prior to project start date	24	0	0	24	N/A	N/A
CONTRACTING						
Agreement reflects all approval conditions	11	1	31	43	N/A	N/A
Agreement includes statement regarding disposition of project revenue	5	0	38	43	N/A	N/A
Reason for amendment is clear	15	0	28	43	N/A	75.0%
Approval for increase amendments was signed with correct delegation of authority	6	0	37	43	N/A	N/A
In the case of financial increase amendments, commitment certification was completed prior to HRDC signing amendment	5	0	38	43	N/A	N/A
Forecast of cash flow amended for financial amendments, where required	7	1	35	43	N/A	N/A
Amendments signed with correct delegation of authority	14	0	29	43	N/A	N/A
PAYMENTS						
If advance issued, sponsor was eligible for advance	20	1	22	43	N/A	N/A
Advance amounts are within Treasury Board limits	19	2	22	43	N/A	80.0%
Only April forecasted expenditures are paid out of previous year funds	5	0	38	43	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only

NEWFOUNDLAND REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 43 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
PAYMENTS						
Claim amounts for April support the advance amount issued from the previous fiscal year	3	0	40	43	N/A	N/A
Budget forecast amended as required	4	0	20	24	N/A	N/A
Correct delegation of authority according to Section 34	19	0	2	21	N/A	61.5%
MONITORING						
Project activities were monitored for compliance with Agreement	26	3	14	43	N/A	16.7%
Financial visits documentation is thorough and accurate	23	4	16	43	N/A	N/A
Contributions from other partners were verified on financial visit	8	3	32	43	N/A	N/A
Follow-up issues outlined	12	0	31	43	N/A	N/A
Follow-up initiated or completed	7	2	34	43	N/A	N/A
FOLLOW-UP & EVALUATION						
Procedures for disposal of assets are clear	6	0	37	43	N/A	N/A
Assets were disposed of as agreed in file	0	0	43	43	N/A	N/A
The final contribution was paid after receipt of the final claim form, unless early payment was justified on file	14	0	29	43	N/A	N/A
Overpayment has been recorded as a receivable and recovery procedures initiated	1	1	41	43	N/A	N/A
Summary of outcomes is included on file at the end of project	9	2	32	43	N/A	N/A
GENERAL ADMINISTRATION						
Participant meets program eligibility criteria	13	0	11	24	N/A	N/A
Participant data is transmitted to HRCC and input to NESS	6	2	16	24	N/A	N/A

NOVA SCOTIA REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 36 Files	1999 IAB Audit Results 459 Files
	Yes	No	N/A	Total	Compliance Level	Compliance Level
APPLICATION						
Application for funding from sponsor on file	35	0	1	36	100.0%	59.1%
Application was signed by representative of submitting organization	31	4	1	36	88.6%	N/A
Includes objectives and activities	35	0	1	36	100.0%	31.8%
Includes a cost estimate	33	1	2	36	97.1%	50.0%
Includes explanation of results to be achieved	31	4	1	36	88.6%	27.3%
ASSESSMENT						
The written assessment demonstrates that the approved activity supports program objectives	29	6	1	36	82.9%	4.5%
Sponsor was checked for outstanding debt to HRDC	33	2	1	36	94.3%	4.5%
Environmental assessment process has been addressed adequately in file	35	0	1	36	100.0%	0.0%
RECOMMENDATION & APPROVAL						
Rationale/Analysis for funding on file	33	2	1	36	94.3%	13.6%
Approval signed with correct delegation of authority	35	0	1	36	100.0%	54.5%
CONTRACTING						
Agreement is on file	35	0	1	36	100.0%	100.0%
Expected results are described clearly	33	2	1	36	94.3%	N/A
Services and/or activities are described clearly	34	1	1	36	97.1%	N/A
Nature of authorized expenses is clear	34	1	1	36	97.1%	81.8%
The schedule and basis of payment are clear in the Agreement	29	5	2	36	85.3%	N/A
Agreement contains a clause that HRDC may do an audit of costs claimed	34	0	2	36	100.0%	86.4%
Agreement includes provisions for Agreement termination with cause and Agreement termination without cause	34	1	1	36	97.1%	N/A
Agreement states the requirement for the recipient to repay overpayments, unexpended balances and disallowed expenses	34	0	2	36	100.0%	N/A

NOVA SCOTIA REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 36 Files	1999 IAB Audit Results 459 Files
	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
Text of the Agreement matches the program utilized	34	1	1	36	97.1%	90.9%
All necessary schedules are included and properly prepared	29	6	1	36	82.9%	N/A
Duration of Agreement is stated	35	0	1	36	100.0%	N/A
Agreement value exceeds approval amount	0	34	2	36	100.0%	N/A
Agreement signed on or after project approval date	34	1	1	36	97.1%	N/A
Agreement signed on or prior to Agreement start date	28	7	1	36	80.0%	N/A
Commitment completed prior to HRDC signing Agreement	19	14	3	36	57.6%	N/A
Signed in all required places by HRDC official with correct delegation of authority	35	0	1	36	100.0%	63.6%
COMPLIANCE WITH TERMS & CONDITIONS						
Project activities meet program terms and conditions	30	6	0	36	83.3%	N/A
GENERAL ADMINISTRATION						
As per February 11, 2000 Senior ADM directive, a life cycle file review checklist is completed and on file	34	1	1	36	97.1%	N/A
HRDC is exercising inappropriate supervisory control and employer/employee relationship may be a problem	0	35	1	36	100.0%	N/A
There are risks related to contravention of *Public Service Employment Act*	0	35	1	36	100.0%	N/A
There are risks related to improper use of contribution funds because the project is supplying goods or services to HRDC	1	34	1	36	97.1%	N/A
There are risks related to liability and public perception	0	35	1	36	100.0%	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

NOVA SCOTIA REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 36 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
ASSESSMENT						
Assessment documentation indicates that proposed costs were evaluated	18	5	1	24	N/A	N/A
There is formal confirmation of essential funding from other sources	5	1	30	36	N/A	N/A
MP notification on file, if required by program	4	0	20	24	N/A	N/A
MP concurrence on file, if mandatory	6	3	27	36	N/A	100.0%
All other mandatory consultation and concurrence on file	4	0	32	36	N/A	N/A
RECOMMENDATION & APPROVAL						
Approval signed on or prior to project start date	19	5	0	24	N/A	N/A
CONTRACTING						
Objectives include measurable timelines/milestones	20	4	12	36	N/A	N/A
Objectives include measurable statement of quantity	23	2	11	36	N/A	N/A
Agreement reflects all approval conditions	5	0	31	36	N/A	N/A
Agreement includes statement regarding disposition of project revenue	2	1	33	36	N/A	N/A
Forecast of cash flow on file if necessary, appropriate to contracted activities, prepared by sponsor, and in agreement with HRDC contracted total	26	0	10	36	N/A	N/A
Reason for amendment is clear	10	0	26	36	N/A	100.0%
Approval for increase amendments was signed with correct delegation of authority	7	0	29	36	N/A	N/A
In the case of financial increase amendments, commitment certification was completed prior to HRDC signing amendment	3	3	30	36	N/A	N/A
Forecast of cash flow amended for financial amendments, where required	5	0	31	36	N/A	N/A
Amendments signed with correct delegation of authority	8	1	27	36	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

NOVA SCOTIA REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 36 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
PAYMENTS						
If advance issued, sponsor was eligible for advance	17	0	19	36	N/A	N/A
Advance amounts are within Treasury Board limits	17	0	19	36	N/A	56.3%
Only April forecasted expenditures are paid out of previous year funds	6	0	30	36	N/A	N/A
All required claim forms are on file	24	0	12	36	N/A	N/A
Claims are accompanied by activity report and supporting financial documentation if required by Agreement	19	0	17	36	N/A	N/A
Claim amounts for April support the advance amount issued from the previous fiscal year	4	0	32	36	N/A	N/A
Math is correct on all processed claim forms	24	0	12	36	N/A	80.0%
Claim forms are correctly signed by sponsor	24	0	12	36	N/A	N/A
Budget forecast amended as required	2	1	21	24	N/A	N/A
Correct delegation of authority according to Section 34	13	0	6	19	N/A	52.4%
At least two people have initialed/signed/input/approved payment requisition	27	0	9	36	N/A	N/A
MONITORING						
Monitoring has been done according to plan	19	4	13	36	N/A	N/A
Monitoring report(s) on file	18	1	17	36	N/A	27.3%
Project activities were monitored for compliance with Agreement	18	0	18	36	N/A	22.7%
Financial visits documentation is thorough and accurate	1	1	34	36	N/A	N/A
Contributions from other partners were verified on financial visit	2	0	34	36	N/A	N/A
Follow-up issues outlined	3	0	33	36	N/A	N/A
Follow-up initiated or completed	0	2	34	36	N/A	N/A
FOLLOW-UP & EVALUATION						
Procedures for disposal of assets are clear	1	0	35	36	N/A	N/A
Assets were disposed of as agreed in file	1	0	35	36	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

NOVA SCOTIA REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 36 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
FOLLOW-UP & EVALUATION						
The final contribution was paid after receipt of the final claim form, unless early payment was justified on file	3	1	32	36	N/A	N/A
Overpayment has been recorded as a receivable and recovery procedures initiated	0	1	35	36	N/A	N/A
Summary of outcomes is included on file at the end of project	3	0	33	36	N/A	N/A
GENERAL ADMINISTRATION						
Participants meet program eligibility criteria	13	0	11	24	N/A	N/A
Participant data is transmitted to HRCC and input to NESS	11	1	12	24	N/A	N/A

QUEBEC REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 32 Files	1999 IAB Audit Results 459 Files
	Yes	No	N/A	Total	Compliance Level	Compliance Level
APPLICATION						
Application for funding from sponsor on file	29	0	3	32	100.0%	100.0%
Application was signed by representative of submitting organization	28	1	3	32	96.6%	N/A
Includes objectives and activities	29	0	3	32	100.0%	91.3%
Includes a cost estimate	29	0	3	32	100.0%	84.0%
Includes explanation of results to be achieved	29	0	3	32	100.0%	96.0%
ASSESSMENT						
The written assessment demonstrates that the approved activity supports program objectives	28	1	3	32	96.6%	36.0%
Sponsor was checked for outstanding debt to HRDC	31	1	0	32	96.9%	0.0%
Environmental assessment process has been addressed adequately in file	25	4	3	32	86.2%	0.0%
RECOMMENDATION & APPROVAL						
Rationale/Analysis for funding on file	32	0	0	32	100.0%	76.0%
Approval signed with correct delegation of authority	31	1	0	32	96.9%	72.0%
CONTRACTING						
Agreement is on file	32	0	0	32	100.0%	100.0%
Objectives include measurable statement of quantity	28	2	2	32	93.3%	N/A
Expected results are described clearly	31	1	0	32	96.9%	N/A
Services and/or activities are described clearly	32	0	0	32	100.0%	N/A
Nature of authorized expenses is clear	23	9	0	32	71.9%	88.0%
The schedule and basis of payment are clear in the Agreement	16	16	0	32	50.0%	N/A
Agreement contains a clause that HRDC may do an audit of costs claimed	32	0	0	32	100.0%	96.0%
Agreement includes provisions for Agreement termination with cause and Agreement termination without cause	32	0	0	32	100.0%	N/A
Agreement states the requirement for the recipient to repay overpayments, unexpended balances and disallowed expenses	32	0	0	32	100.0%	N/A

QUEBEC REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 32 Files	1999 IAB Audit Results 459 Files
	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
Text of the Agreement matches the program utilized	32	0	0	32	100.0%	100.0%
All necessary schedules are included and properly prepared	23	9	0	32	71.9%	N/A
Duration of Agreement is stated	31	1	0	32	96.9%	N/A
Agreement value exceeds approval amount	0	32	0	32	100.0%	N/A
Agreement signed on or after project approval date	32	0	0	32	100.0%	N/A
Agreement signed on or prior to Agreement start date	23	9	0	32	71.9%	N/A
Commitment completed prior to HRDC signing Agreement	14	15	3	32	48.3%	N/A
Signed in all required places by HRDC official with correct delegation of authority	32	0	0	32	100.0%	92.0%
PAYMENTS						
All required claim forms are on file	26	0	6	32	100.0%	N/A
Math is correct on all processed claim forms	25	1	6	32	96.2%	100.0%
Claim forms are correctly signed by sponsor	23	3	6	32	88.5%	N/A
At least two people have initialed/signed/input/approved payment requisition	27	0	5	32	100.0%	N/A
COMPLIANCE WITH TERMS & CONDITIONS						
Project activities meet program terms and conditions	32	0	0	32	100.0%	N/A
GENERAL ADMINISTRATION						
As per February 11, 2000 Senior ADM directive, a life cycle file review checklist is completed and on file	30	2	0	32	93.8%	N/A
HRDC is exercising inappropriate supervisory control and employer/employee relationship may be a problem	0	32	0	32	100.0%	N/A
There are risks related to contravention of *Public Service Employment Act*	0	32	0	32	100.0%	N/A
There are risks related to improper use of contribution funds because the project is supplying goods or services to HRDC	0	32	0	32	100.0%	N/A
There are risks related to liability and public perception	0	32	0	32	100.0%	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

QUEBEC REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 32 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
ASSESSMENT						
Assessment documentation indicates that proposed costs were evaluated	22	2	0	24	N/A	N/A
There is formal confirmation of essential funding from other sources	11	2	19	32	N/A	N/A
MP notification on file, if required by program	18	2	4	24	N/A	N/A
MP concurrence on file, if mandatory	12	0	20	32	N/A	50.0%
All other mandatory consultation and concurrence on file	8	0	24	32	N/A	N/A
RECOMMENDATION & APPROVAL						
Approval signed on or prior to project start date	23	1	0	24	N/A	N/A
CONTRACTING						
Objectives include measurable timelines/milestones	25	0	7	32	N/A	N/A
Agreement reflects all approval conditions	6	2	24	32	N/A	N/A
Agreement includes statement regarding disposition of project revenue	4	0	28	32	N/A	N/A
Forecast of cash flow on file if necessary, appropriate to contracted activities, prepared by sponsor, and in agreement with HRDC contracted total	21	1	10	32	N/A	N/A
Reason for amendment is clear	8	0	24	32	N/A	50.0%
Approval for increase amendments was signed with correct delegation of authority	4	0	28	32	N/A	N/A
In the case of financial increase amendments, commitment certification was completed prior to HRDC signing amendment	1	0	31	32	N/A	N/A
Forecast of cash flow amended for financial amendments, where required	4	1	27	32	N/A	N/A
Amendments signed with correct delegation of authority	5	0	27	32	N/A	N/A
PAYMENTS						
If advance issued, sponsor was eligible for advance	18	0	14	32	N/A	N/A
Advance amounts are within Treasury Board limits	17	1	14	32	N/A	57.1%
Only April forecasted expenditures are paid out of previous year funds	5	0	27	32	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

QUEBEC REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 32 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
PAYMENTS						
Claims are accompanied by activity report and supporting financial documentation if required by Agreement	12	0	20	32	N/A	N/A
Claim amounts for April support the advance amount issued from the previous fiscal year	4	0	28	32	N/A	N/A
Budget forecast amended as required	3	1	20	24	N/A	N/A
Correct delegation of authority according to Section 34	12	0	2	14	N/A	96.0%
MONITORING						
Monitoring has been done according to plan	19	1	12	32	N/A	N/A
Monitoring report(s) on file	23	0	9	32	N/A	68.0%
Project activities were monitored for compliance with Agreement	19	0	13	32	N/A	45.8%
Financial visits documentation is thorough and accurate	13	0	19	32	N/A	N/A
Contributions from other partners were verified on financial visit	3	2	27	32	N/A	N/A
Follow-up issues outlined	2	1	29	32	N/A	N/A
Follow-up initiated or completed	1	0	31	32	N/A	N/A
FOLLOW-UP & EVALUATION						
Procedures for disposal of assets are clear	5	0	27	32	N/A	N/A
Assets were disposed of as agreed in file	1	0	31	32	N/A	N/A
The final contribution was paid after receipt of the final claim form, unless early payment was justified on file	8	0	24	32	N/A	N/A
Overpayment has been recorded as a receivable and recovery procedures initiated	0	0	32	32	N/A	N/A
Summary of outcomes is included on file at the end of project	6	0	26	32	N/A	N/A
GENERAL ADMINISTRATION						
Participants meet program eligibility criteria	6	1	17	24	N/A	N/A
Participant data is transmitted to HRCC and input to NESS	6	0	18	24	N/A	N/A

ONTARIO REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 144 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
APPLICATION						
Application for funding from sponsor on file	142	2	0	144	98.6%	82.5%
Application was signed by representative of submitting organization	139	3	2	144	97.9%	N/A
Includes objectives and activities	142	0	2	144	100.0%	58.3%
Includes a cost estimate	137	1	6	144	99.3%	65.0%
Includes explanation of results to be achieved	137	5	2	144	96.5%	82.5%
ASSESSMENT						
The written assessment demonstrates that the approved activity supports program objectives	124	20	0	144	86.1%	30.0%
Assessment documentation indicates that proposed costs were evaluated	75	24	3	102	75.8%	N/A
Sponsor was checked for outstanding debt to HRDC	126	15	3	144	89.4%	7.5%
Environmental assessment process has been addressed adequately in file	131	13	0	144	91.0%	22.2%
RECOMMENDATION & APPROVAL						
Rationale/Analysis for funding on file	131	13	0	144	91.0%	41.0%
Approval signed with correct delegation of authority	141	3	0	144	97.9%	77.5%
Approval signed on or prior to project start date	94	7	1	102	93.1%	N/A
CONTRACTING						
Agreement is on file	142	0	2	144	100.0%	97.5%
Objectives include measurable timelines/milestones	93	3	48	144	96.9%	N/A
Objectives include measurable statement of quantity	135	4	5	144	97.1%	N/A
Expected results are described clearly	137	5	2	144	96.5%	N/A
Services and/or activities are described clearly	141	1	2	144	99.3%	N/A
Nature of authorized expenses is clear	134	8	2	144	94.4%	86.5%

ONTARIO REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 144 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
The schedule and basis of payment are clear in the Agreement	88	47	9	144	65.2%	N/A
Agreement contains a clause that HRDC may do an audit of costs claimed	138	0	6	144	100.0%	94.9%
Agreement includes provisions for Agreement termination with cause and Agreement termination without cause	138	4	2	144	97.2%	N/A
Agreement states the requirement for the recipient to repay overpayments, unexpended balances and disallowed expenses	136	0	8	144	100.0%	N/A
Text of the Agreement matches the program utilized	138	4	2	144	97.2%	84.6%
All necessary schedules are included and properly prepared	120	21	3	144	85.1%	N/A
Duration of Agreement is stated	142	0	2	144	100.0%	N/A
Agreement value exceeds approval amount	0	141	3	144	100.0%	N/A
Forecast of cash flow on file if necessary, appropriate to contracted activities, prepared by sponsor, and in agreement with HRDC contracted total	79	4	61	144	95.2%	N/A
Agreement signed on or after project approval date	140	0	4	144	100.0%	N/A
Agreement signed on or prior to Agreement start date	121	21	2	144	85.2%	N/A
Commitment completed prior to HRDC signing Agreement	88	42	14	144	67.7%	N/A
Signed in all required places by HRDC official with correct delegation of authority	140	1	3	144	99.3%	90.0%
PAYMENTS						
If advance issued, sponsor was eligible for advance	53	2	89	144	96.4%	N/A
Advance amounts are within Treasury Board limits	52	3	89	144	94.5%	82.8%
All required claim forms are on file	109	4	31	144	96.5%	N/A
Claims are accompanied by activity report and supporting financial documentation if required by Agreement	86	11	47	144	88.7%	N/A
Math is correct on all processed claim forms	109	2	33	144	98.2%	94.4%
Claim forms are correctly signed by sponsor	110	1	33	144	99.1%	N/A
Correct delegation of authority according to Section 34	52	0	14	66	100.0%	86.5%
At least two people have initialed/signed/input/approved payment requisition	118	0	26	144	100.0%	N/A

ONTARIO REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 144 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
MONITORING						
Monitoring has been done according to plan	71	14	59	144	83.5%	N/A
Monitoring report(s) on file	68	5	71	144	93.2%	32.5%
Project activities were monitored for compliance with Agreement	65	1	78	144	98.5%	25.6%
COMPLIANCE WITH TERMS & CONDITIONS						
Project activities meet program terms and conditions	133	9	2	144	93.7%	N/A
GENERAL ADMINISTRATION						
As per February 11, 2000 Senior ADM directive, a life cycle file review checklist is completed and on file	141	1	2	144	99.3%	N/A
Participants meet program eligibility criteria	69	1	32	102	98.6%	N/A
Participant data is transmitted to HRCC and input to NESS	65	2	35	102	97.0%	N/A
HRDC is exercising inappropriate supervisory control and employer/employee relationship may be a problem	2	138	4	144	98.6%	N/A
There are risks related to contravention of *Public Service Employment Act*	0	140	4	144	100.0%	N/A
There are risks related to improper use of contribution funds because the project is supplying goods or services to HRDC	3	137	4	144	97.9%	N/A
There are risks related to liability and public perception	1	139	4	144	99.3%	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

ONTARIO REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 144 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
ASSESSMENT						
There is formal confirmation of essential funding from other sources	21	8	115	44	N/A	N/A
MP notification on file, if required by program	16	0	86	102	N/A	N/A
MP concurrence on file, if mandatory	23	1	120	144	N/A	60.0%
All other mandatory consultation and concurrence on file	8	0	136	144	N/A	N/A
CONTRACTING						
Agreement reflects all approval conditions	17	0	127	144	N/A	N/A
Agreement includes statement regarding disposition of project revenue	9	2	133	144	N/A	N/A
Reason for amendment is clear	20	0	124	144	N/A	100.0%
Approval for increase amendments was signed with correct delegation of authority	10	0	134	144	N/A	N/A
In the case of financial increase amendments, commitment certification was completed prior to HRDC signing amendment	4	5	135	144	N/A	N/A
Forecast of cash flow amended for financial amendments, where required	4	4	136	144	N/A	N/A
Amendments signed with correct delegation of authority	17	1	126	144	N/A	N/A
PAYMENTS						
Only April forecasted expenditures are paid out of previous year funds	23	0	121	144	N/A	N/A
Claim amounts for April support the advance amount issued from the previous fiscal year	19	0	125	144	N/A	N/A
Budget forecast amended as required	1	13	88	102	N/A	N/A
MONITORING						
Financial visits documentation is thorough and accurate	15	2	127	144	N/A	N/A
Contributions from other partners were verified on financial visit	1	1	142	144	N/A	N/A
Follow-up issues outlined	18	0	126	144	N/A	N/A
Follow-up initiated or completed	14	0	130	144	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

ONTARIO REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 144 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
FOLLOW-UP & EVALUATION						
Procedures for disposal of assets are clear	13	0	131	144	N/A	N/A
Assets were disposed of as agreed in file	6	0	138	144	N/A	N/A
The final contribution was paid after receipt of the final claim form, unless early payment was justified on file	21	0	123	144	N/A	N/A
Overpayment has been recorded as a receivable and recovery procedures initiated	1	0	143	144	N/A	N/A
Summary of outcomes is included on file at the end of project	23	2	119	144	N/A	N/A

BRITISH COLUMBIA/YUKON REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 56 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
APPLICATION						
Application for funding from sponsor on file	56	0	0	56	100.0%	90.5%
Application was signed by representative of submitting organization	53	3	0	56	94.6%	N/A
Includes objectives and activities	56	0	0	56	100.0%	80.0%
Includes a cost estimate	55	1	0	56	98.2%	85.0%
Includes explanation of results to be achieved	55	1	0	56	98.2%	81.0%
ASSESSMENT						
The written assessment demonstrates that the approved activity supports program objectives	45	11	0	56	80.4%	42.9%
Assessment documentation indicates that proposed costs were evaluated	29	10	0	39	74.4%	N/A
Sponsor was checked for outstanding debt to HRDC	56	0	0	56	100.0%	4.8%
Environmental assessment process has been addressed adequately in file	52	2	2	56	96.3%	20.0%
RECOMMENDATION & APPROVAL						
Rationale/Analysis for funding on file	52	4	0	56	92.9%	61.9%
Approval signed with correct delegation of authority	54	1	1	56	98.2%	66.7%
Approval signed on or prior to project start date	36	1	2	39	97.3%	N/A
CONTRACTING						
Agreement is on file	56	0	0	56	100.0%	95.2%
Objectives include measurable timelines/milestones	44	4	8	56	91.7%	N/A
Objectives include measurable statement of quantity	46	2	8	56	95.8%	N/A
Expected results are described clearly	54	2	0	56	96.4%	N/A
Services and/or activities are described clearly	56	0	0	56	100.0%	N/A
Nature of authorized expenses is clear	48	8	0	56	85.7%	90.0%
The schedule and basis of payment are clear in the Agreement	53	2	1	56	96.4%	N/A
Agreement contains a clause that HRDC may do an audit of costs claimed	54	2	0	56	96.4%	100.0%

BRITISH COLUMBIA/YUKON REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 56 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	**Yes**	**No**	**N/A**	**Total**	**Compliance Level**	**Compliance Level**
CONTRACTING						
Agreement includes provisions for Agreement termination with cause and Agreement termination without cause	54	2	0	56	96.4%	N/A
Agreement states the requirement for the recipient to repay overpayments, unexpended balances and disallowed expenses	54	2	0	56	96.4%	N/A
Text of the Agreement matches the program utilized	54	1	1	56	98.2%	80.0%
All necessary schedules are included and properly prepared	51	4	1	56	92.7%	N/A
Duration of Agreement is stated	56	0	0	56	100.0%	N/A
Agreement value exceeds approval amount	0	54	2	56	100.0%	N/A
Forecast of cash flow on file if necessary, appropriate to contracted activities, prepared by sponsor, and in agreement with HRDC contracted total	42	0	14	56	100.0%	N/A
Agreement signed on or after project approval date	54	0	2	56	100.0%	N/A
Agreement signed on or prior to Agreement start date	55	1	0	56	98.2%	N/A
Commitment completed prior to HRDC signing Agreement	35	20	1	56	63.6%	N/A
Signed in all required places by HRDC official with correct delegation of authority	56	0	0	56	100.0%	85.7%
PAYMENTS						
If advance issued, sponsor was eligible for advance	39	2	15	56	95.1%	N/A
Advance amounts are within Treasury Board limits	41	0	15	56	100.0%	100.0%
All required claim forms are on file	47	0	9	56	100.0%	N/A
Claims are accompanied by activity report and supporting financial documentation if required by Agreement	36	0	20	56	100.0%	N/A
Math is correct on all processed claim forms	46	0	10	56	100.0%	85.7%
Claim forms are correctly signed by sponsor	46	0	10	56	100.0%	N/A
At least two people have initialed/signed/input/approved payment requisition	52	0	4	56	100.0%	N/A
MONITORING						
Monitoring has been done according to plan	33	7	16	56	82.5%	N/A
Monitoring report(s) on file	32	3	21	56	91.4%	60.0%

BRITISH COLUMBIA/YUKON REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 56 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
COMPLIANCE WITH TERMS & CONDITIONS						
Project activities meet program terms and conditions	52	4	0	56	92.9%	N/A
GENERAL ADMINISTRATION						
As per February 11, 2000 Senior ADM directive, a life cycle file review checklist is completed and on file	55	0	1	56	100.0%	N/A
HRDC is exercising inappropriate supervisory control and employer/employee relationship may be a problem	1	54	1	56	98.2%	N/A
There are risks related to contravention of *Public Service Employment Act*	0	55	1	56	100.0%	N/A
There are risks related to improper use of contribution funds because the project is supplying goods or services to HRDC	3	52	1	56	94.5%	N/A
There are risks related to liability and public perception	0	55	1	56	100.0%	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

BRITISH COLUMBIA/YUKON REGION

Files between starting February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 56 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
ASSESSMENT						
There is formal confirmation of essential funding from other sources	8	6	42	56	N/A	N/A
MP notification on file, if required by program	1	0	38	39	N/A	N/A
MP concurrence on file, if mandatory	5	1	50	56	N/A	50.0%
All other mandatory consultation and concurrence on file	4	0	52	56	N/A	N/A
CONTRACTING						
Agreement reflects all approval conditions	9	0	47	56	N/A	N/A
Agreement includes statement regarding disposition of project revenue	9	2	45	56	N/A	N/A
Reason for amendment is clear	8	1	47	56	N/A	83.3%
Approval for increase amendments was signed with correct delegation of authority	6	0	50	56	N/A	N/A
In the case of financial increase amendments, commitment certification was completed prior to HRDC signing amendment	3	1	52	56	N/A	N/A
Forecast of cash flow amended for financial amendments, where required	4	0	52	56	N/A	N/A
Amendments signed with correct delegation of authority	8	0	48	56	N/A	N/A
PAYMENTS						
Only April forecasted expenditures are paid out of previous year funds	13	0	43	56	N/A	N/A
Claim amounts for April support the advance amount issued from the previous fiscal year	12	0	44	56	N/A	N/A
Budget forecast amended as required	11	4	24	39	N/A	N/A
Correct delegation of authority according to Section 34	23	1	3	27	N/A	85.7%
MONITORING						
Project activities were monitored for compliance with Agreement	27	2	27	56	N/A	36.8%
Financial visits documentation is thorough and accurate	15	1	40	56	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

BRITISH COLUMBIA/YUKON REGION

Files between starting February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 56 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
MONITORING						
Contributions from other partners were verified on financial visit	3	2	51	56	N/A	N/A
Follow-up issues outlined	12	0	44	56	N/A	N/A
Follow-up initiated or completed	10	0	46	56	N/A	N/A
FOLLOW-UP & EVALUATION						
Procedures for disposal of assets are clear	4	0	52	56	N/A	N/A
Assets were disposed of as agreed in file	1	0	55	56	N/A	N/A
The final contribution was paid after receipt of the final claim form, unless early payment was justified on file	5	0	51	56	N/A	N/A
Overpayment has been recorded as a receivable and recovery procedures initiated	0	0	56	56	N/A	N/A
Summary of outcomes is included on file at the end of project	6	1	49	56	N/A	N/A
GENERAL ADMINISTRATION						
Participants meet program eligibility criteria	19	0	20	39	N/A	N/A
Participant data is transmitted to HRCC and input to NESS	15	4	20	39	N/A	N/A

NATIONAL HEADQUARTERS

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 51 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
APPLICATION						
Application for funding from sponsor on file	51	0	0	51	100.0%	85.2%
Application was signed by representative of submitting organization	51	0	0	51	100.0%	N/A
Includes objectives and activities	51	0	0	51	100.0%	63.4%
Includes a cost estimate	51	0	0	51	100.0%	80.1%
Includes explanation of results to be achieved	51	0	0	51	100.0%	78.5%
ASSESSMENT						
The written assessment demonstrates that the approved activity supports program objectives	50	1	0	51	98.0%	32.0%
Sponsor was checked for outstanding debt to HRDC	50	1	0	51	98.0%	0.7%
Environmental assessment process has been addressed adequately in file	50	0	1	51	100.0%	0.0%
RECOMMENDATION & APPROVAL						
Rationale/Analysis for funding on file	51	0	0	51	100.0%	35.0%
Approval signed with correct delegation of authority	51	0	0	51	100.0%	86.6%
PAYMENTS						
Correct delegation of authority according to Section 34	27	0	0	27	100.0%	63.5%
At least two people have initialed/signed/input/approved payment requisition	50	0	1	51	100.0%	N/A
COMPLIANCE WITH TERMS & CONDITIONS						
Project activities meet program terms and conditions	51	0	0	51	100.0%	N/A

NATIONAL HEADQUARTERS

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 51 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	**Yes**	**No**	**N/A**	**Total**	**Compliance Level**	**Compliance Level**
GENERAL ADMINISTRATION						
As per February 11, 2000 Senior ADM directive, a life cycle file review checklist is completed and on file	49	1	1	51	98.0%	N/A
HRDC is exercising inappropriate supervisory control and employer/employee relationship may be a problem	0	30	21	51	100.0%	N/A
There are risks related to contravention of *Public Service Employment Act*	0	30	21	51	100.0%	N/A
There are risks related to improper use of contribution funds because the project is supplying goods or services to HRDC	0	30	21	51	100.0%	N/A
There are risks related to liability and public perception	0	30	21	51	100.0%	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

NATIONAL HEADQUARTERS

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 51 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
ASSESSMENT						
Assessment documentation indicates that proposed costs were evaluated	8	17	0	25	N/A	N/A
There is formal confirmation of essential funding from other sources	7	0	44	51	N/A	N/A
MP notification on file, if required by program	0	0	25	25	N/A	N/A
MP concurrence on file, if mandatory	0	0	51	51	N/A	7.4%
All other mandatory consultation and concurrence on file	4	0	47	51	N/A	N/A
RECOMMENDATION & APPROVAL						
Approval signed on or prior to project start date	6	0	19	25	N/A	N/A
CONTRACTING						
Agreement is on file	5	0	46	51	N/A	94.6%
Objectives include measurable timelines/milestones	5	0	46	51	N/A	N/A
Objectives include measurable statement of quantity	4	0	47	51	N/A	N/A
Expected results are described clearly	5	0	46	51	N/A	N/A
Services and/or activities are described clearly	5	0	46	51	N/A	N/A
Nature of authorized expenses is clear	4	1	46	51	N/A	83.3%
Agreement reflects all approval conditions	1	0	50	51	N/A	N/A
The schedule and basis of payment are clear in the Agreement	5	0	46	51	N/A	N/A
Agreement contains a clause that HRDC may do an audit of costs claimed	4	0	47	51	N/A	95.3%
Agreement includes provisions for Agreement termination with cause and Agreement termination without cause	5	0	46	51	N/A	N/A
Agreement states the requirement for the recipient to repay overpayments, unexpended balances and disallowed expenses	5	0	46	51	N/A	N/A
Text of the Agreement matches the program utilized	5	0	46	51	N/A	94.3%

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

NATIONAL HEADQUARTERS

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 51 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
All necessary schedules are included and properly prepared	5	0	46	51	N/A	N/A
Duration of Agreement is stated	5	0	46	51	N/A	N/A
Agreement includes statement regarding disposition of project revenue	1	0	50	51	N/A	N/A
Agreement value exceeds approval amount	0	5	46	51	N/A	N/A
Forecast of cash flow on file if necessary, appropriate to contracted activities, prepared by sponsor, and in agreement with HRDC contracted total	3	0	48	51	N/A	N/A
Agreement signed on or after project approval date	5	0	46	51	N/A	N/A
Agreement signed on or prior to Agreement start date	2	3	46	51	N/A	N/A
Commitment completed prior to HRDC signing Agreement	4	1	46	51	N/A	N/A
Signed in all required places by HRDC official with correct delegation of authority	4	1	46	51	N/A	86.6%
Reason for amendment is clear	1	0	50	51	N/A	55.2%
Approval for increase amendments was signed with correct delegation of authority	0	0	51	51	N/A	N/A
In the case of financial increase amendments, commitment certification was completed prior to HRDC signing amendment	0	0	51	51	N/A	N/A
Forecast of cash flow amended for financial amendments, where required	1	0	50	51	N/A	N/A
Amendments signed with correct delegation of authority	1	0	50	51	N/A	N/A
PAYMENTS						
If advance issued, sponsor was eligible for advance	3	0	48	51	N/A	N/A
Advance amounts are within Treasury Board limits	2	1	48	51	N/A	67.3%
Only April forecasted expenditures are paid out of previous year funds	0	0	51	51	N/A	N/A
All required claim forms are on file	1	0	50	51	N/A	N/A
Claims are accompanied by activity report and supporting financial documentation if required by Agreement	1	0	50	51	N/A	N/A
Claim amounts for April support the advance amount issued from the previous fiscal year	0	0	51	51	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

NATIONAL HEADQUARTERS

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 51 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
PAYMENTS						
Math is correct on all processed claim forms	0	1	50	51	N/A	91.7%
Claim forms are correctly signed by sponsor	1	0	50	51	N/A	N/A
Budget forecast amended as required	0	0	25	25	N/A	N/A
MONITORING						
Monitoring has been done according to plan	1	0	50	51	N/A	N/A
Monitoring report(s) on file	1	0	50	51	N/A	42.7%
Project activities were monitored for compliance with Agreement	1	0	50	51	N/A	14.1%
Financial visits documentation is thorough and accurate	1	0	50	51	N/A	N/A
Contributions from other partners were verified on financial visit	0	0	51	51	N/A	N/A
Follow-up issues outlined	0	0	51	51	N/A	N/A
Follow-up initiated or completed	0	0	51	51	N/A	N/A
FOLLOW-UP & EVALUATION						
Procedures for disposal of assets are clear	1	0	50	51	N/A	N/A
Assets were disposed of as agreed in file	0	0	51	51	N/A	N/A
The final contribution was paid after receipt of the final claim form, unless early payment was justified on file	0	0	51	51	N/A	N/A
Overpayment has been recorded as a receivable and recovery procedures initiated	0	0	51	51	N/A	N/A
Summary of outcomes is included on file at the end of project	2	1	48	51	N/A	N/A
GENERAL ADMINISTRATION						
Participants meet program eligibility criteria	0	0	25	25	N/A	N/A
Participant data is transmitted to HRCC and input to NESS	0	0	25	25	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

NEW BRUNSWICK REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 3 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
APPLICATION						
Application for funding from sponsor on file	3	0	0	3	N/A	90.9%
Application was signed by representative of submitting organization	3	0	0	3	N/A	N/A
Includes objectives and activities	3	0	0	3	N/A	63.6%
Includes a cost estimate	3	0	0	3	N/A	63.6%
Includes explanation of results to be achieved	3	0	0	3	N/A	72.7%
ASSESSMENT						
The written assessment demonstrates that the approved activity supports program objectives	3	0	0	3	N/A	54.5%
Assessment documentation indicates that proposed costs were evaluated	2	0	0	2	N/A	N/A
Sponsor was checked for outstanding debt to HRDC	3	0	0	3	N/A	0.0%
There is formal confirmation of essential funding from other sources	1	0	2	3	N/A	N/A
MP notification on file, if required by program	0	0	2	2	N/A	N/A
MP concurrence on file, if mandatory	0	0	3	3	N/A	33.3%
All other mandatory consultation and concurrence on file	1	0	2	3	N/A	N/A
Environmental assessment process has been addressed adequately in file	3	0	0	3	N/A	0.0%
RECOMMENDATION & APPROVAL						
Rationale/Analysis for funding on file	3	0	0	3	N/A	63.6%
Approval signed with correct delegation of authority	3	0	0	3	N/A	81.8%
Approval signed on or prior to project start date	2	0	0	2	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

NEW BRUNSWICK REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 3 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
Agreement is on file	3	0	0	3	N/A	100.0%
Objectives include measurable timelines/milestones	1	0	2	3	N/A	N/A
Objectives include measurable statement of quantity	3	0	0	3	N/A	N/A
Expected results are described clearly	3	0	0	3	N/A	N/A
Services and/or activities are described clearly	3	0	0	3	N/A	N/A
Nature of authorized expenses is clear	3	0	0	3	N/A	63.6%
Agreement reflects all approval conditions	1	0	2	3	N/A	N/A
The schedule and basis of payment are clear in the Agreement	3	0	0	3	N/A	N/A
Agreement contains a clause that HRDC may do an audit of costs claimed	3	0	0	3	N/A	100.0%
Agreement includes provisions for Agreement termination with cause and Agreement termination without cause	3	0	0	3	N/A	N/A
Agreement states the requirement for the recipient to repay overpayments, unexpended balances and disallowed expenses	3	0	0	3	N/A	N/A
Text of the Agreement matches the program utilized	3	0	0	3	N/A	81.8%
All necessary schedules are included and properly prepared	3	0	0	3	N/A	N/A
Duration of Agreement is stated	3	0	0	3	N/A	N/A
Agreement includes statement regarding disposition of project revenue	1	0	2	3	N/A	N/A
Agreement value exceeds approval amount	0	3	0	3	N/A	N/A
Forecast of cash flow on file if necessary, appropriate to contracted activities, prepared by sponsor, and in agreement with HRDC contracted total	3	0	0	3	N/A	N/A
Agreement signed on or after project approval date	3	0	0	3	N/A	N/A
Agreement signed on or prior to Agreement start date	2	1	0	3	N/A	N/A
Commitment completed prior to HRDC signing Agreement	3	0	0	3	N/A	N/A
Signed in all required places by HRDC official with correct delegation of authority	3	0	0	3	N/A	81.8%

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

NEW BRUNSWICK REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 3 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
Reason for amendment is clear	0	0	3	3	N/A	100.0%
Approval for increase amendments was signed with correct delegation of authority	0	0	3	3	N/A	N/A
In the case of financial increase amendments, commitment certification was completed prior to HRDC signing amendment	0	0	3	3	N/A	N/A
Forecast of cash flow amended for financial amendments, where required	0	0	3	3	N/A	N/A
Amendments signed with correct delegation of authority	0	0	3	3	N/A	N/A
PAYMENTS						
If advance issued, sponsor was eligible for advance	2	0	1	3	N/A	N/A
Advance amounts are within Treasury Board limits	2	0	1	3	N/A	70.0%
Only April forecasted expenditures are paid out of previous year funds	1	0	2	3	N/A	N/A
All required claim forms are on file	3	0	0	3	N/A	N/A
Claims are accompanied by activity report and supporting financial documentation if required by Agreement	2	0	1	3	N/A	N/A
Claim amounts for April support the advance amount issued from the previous fiscal year	1	0	2	3	N/A	N/A
Math is correct on all processed claim forms	3	0	0	3	N/A	100.0%
Claim forms are correctly signed by sponsor	3	0	0	3	N/A	N/A
Budget forecast amended as required	0	0	2	2	N/A	N/A
Correct delegation of authority according to Section 34	1	0	0	1	N/A	81.8%
At least two people have initialed/signed/input/approved payment requisition	3	0	0	3	N/A	N/A
MONITORING						
Monitoring has been done according to plan	2	0	1	3	N/A	N/A
Monitoring report(s) on file	3	0	0	3	N/A	81.8%
Project activities were monitored for compliance with Agreement	3	0	0	3	N/A	77.8%

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

NEW BRUNSWICK REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 3 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
MONITORING						
Financial visits documentation is thorough and accurate	3	0	0	3	N/A	N/A
Contributions from other partners were verified on financial visit	0	0	3	3	N/A	N/A
Follow-up issues outlined	1	0	2	3	N/A	N/A
Follow-up initiated or completed	1	0	2	3	N/A	N/A
FOLLOW-UP & EVALUATION						
Procedures for disposal of assets are clear	1	0	2	3	N/A	N/A
Assets were disposed of as agreed in file	0	1	2	3	N/A	N/A
The final contribution was paid after receipt of the final claim form, unless early payment was justified on file	2	0	1	3	N/A	N/A
Overpayment has been recorded as a receivable and recovery procedures initiated	1	0	2	3	N/A	N/A
Summary of outcomes is included on file at the end of project	2	0	1	3	N/A	N/A
COMPLIANCE WITH TERMS & CONDITIONS						
Project activities meet program terms and conditions	3	0	0	3	N/A	N/A
GENERAL ADMINISTRATION						
As per February 11, 2000 Senior ADM directive, a life cycle file review checklist is completed and on file	3	0	0	3	N/A	N/A
Participants meet program eligibility criteria	1	0	1	2	N/A	N/A
Participant data is transmitted to HRCC and input to NESS	0	1	1	2	N/A	N/A
HRDC is exercising inappropriate supervisory control and employer/employee relationship may be a problem	0	3	0	3	N/A	N/A
There are risks related to contravention of *Public Service Employment Act*	0	3	0	3	N/A	N/A
There are risks related to improper use of contribution funds because the project is supplying goods or services to HRDC	0	3	0	3	N/A	N/A
There are risks related to liability and public perception	0	3	0	3	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

PRINCE EDWARD ISLAND REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 11 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
APPLICATION						
Application for funding from sponsor on file	11	0	0	11	N/A	76.5%
Application was signed by representative of submitting organization	11	0	0	11	N/A	N/A
Includes objectives and activities	11	0	0	11	N/A	33.3%
Includes a cost estimate	11	0	0	11	N/A	58.8%
Includes explanation of results to be achieved	11	0	0	11	N/A	41.2%
ASSESSMENT						
The written assessment demonstrates that the approved activity supports program objectives	10	1	0	11	N/A	29.4%
Assessment documentation indicates that proposed costs were evaluated	7	2	0	9	N/A	N/A
Sponsor was checked for outstanding debt to HRDC	10	1	0	11	N/A	5.9%
There is formal confirmation of essential funding from other sources	2	1	8	11	N/A	N/A
MP notification on file, if required by program	0	0	9	9	N/A	N/A
MP concurrence on file, if mandatory	0	1	10	11	N/A	66.7%
All other mandatory consultation and concurrence on file	1	0	10	11	N/A	N/A
Environmental assessment process has been addressed adequately in file	10	1	0	11	N/A	33.3%
RECOMMENDATION & APPROVAL						
Rationale/Analysis for funding on file	11	0	0	11	N/A	17.6%
Approval signed with correct delegation of authority	11	0	0	11	N/A	58.8%
Approval signed on or prior to project start date	8	1	0	9	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

PRINCE EDWARD ISLAND REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 11 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
Agreement is on file	11	0	0	11	N/A	100.0%
Objectives include measurable timelines/milestones	6	1	4	11	N/A	N/A
Objectives include measurable statement of quantity	11	0	0	11	N/A	N/A
Expected results are described clearly	11	0	0	11	N/A	N/A
Services and/or activities are described clearly	11	0	0	11	N/A	N/A
Nature of authorized expenses is clear	10	1	0	11	N/A	88.2%
Agreement reflects all approval conditions	3	0	8	11	N/A	N/A
The schedule and basis of payment are clear in the Agreement	10	1	0	11	N/A	N/A
Agreement contains a clause that HRDC may do an audit of costs claimed	11	0	0	11	N/A	100.0%
Agreement includes provisions for Agreement termination with cause and Agreement termination without cause	11	0	0	11	N/A	N/A
Agreement states the requirement for the recipient to repay overpayments, unexpended balances and disallowed expenses	11	0	0	11	N/A	N/A
Text of the Agreement matches the program utilized	10	1	0	11	N/A	100.0%
All necessary schedules are included and properly prepared	7	4	0	11	N/A	N/A
Duration of Agreement is stated	11	0	0	11	N/A	N/A
Agreement includes statement regarding disposition of project revenue	2	0	9	11	N/A	N/A
Agreement value exceeds approval amount	0	11	0	11	N/A	N/A
Forecast of cash flow on file if necessary, appropriate to contracted activities, prepared by sponsor, and in agreement with HRDC contracted total	6	2	3	11	N/A	N/A
Agreement signed on or after project approval date	11	0	0	11	N/A	N/A
Agreement signed on or prior to Agreement start date	9	2	0	11	N/A	N/A
Commitment completed prior to HRDC signing Agreement	10	1	0	11	N/A	N/A
Signed in all required places by HRDC official with correct delegation of authority	11	0	0	11	N/A	100.0%

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

PRINCE EDWARD ISLAND REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 11 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
Reason for amendment is clear	6	0	5	11	N/A	66.7%
Approval for increase amendments was signed with correct delegation of authority	4	0	7	11	N/A	N/A
In the case of financial increase amendments, commitment certification was completed prior to HRDC signing amendment	2	1	8	11	N/A	N/A
Forecast of cash flow amended for financial amendments, where required	0	1	10	11	N/A	N/A
Amendments signed with correct delegation of authority	6	0	5	11	N/A	N/A
PAYMENTS						
If advance issued, sponsor was eligible for advance	7	1	3	11	N/A	N/A
Advance amounts are within Treasury Board limits	8	0	3	11	N/A	81.3%
Only April forecasted expenditures are paid out of previous year funds	8	0	3	11	N/A	N/A
All required claim forms are on file	9	0	2	11	N/A	N/A
Claims are accompanied by activity report and supporting financial documentation if required by Agreement	7	0	4	11	N/A	N/A
Claim amounts for April support the advance amount issued from the previous fiscal year	5	0	6	11	N/A	N/A
Math is correct on all processed claim forms	9	0	2	11	N/A	100.0%
Claim forms are correctly signed by sponsor	8	1	2	11	N/A	N/A
Budget forecast amended as required	4	1	4	9	N/A	N/A
Correct delegation of authority according to Section 34	3	0	0	3	N/A	70.6%
At least two people have initialed/signed/input/approved payment requisition	11	0	0	11	N/A	N/A
MONITORING						
Monitoring has been done according to plan	9	0	2	11	N/A	N/A
Monitoring report(s) on file	7	0	4	11	N/A	41.2%
Project activities were monitored for compliance with Agreement	7	0	4	11	N/A	29.4%
Financial visits documentation is thorough and accurate	0	0	11	11	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

PRINCE EDWARD ISLAND REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 11 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
MONITORING						
Contributions from other partners were verified on financial visit	0	0	11	11	N/A	N/A
Follow-up issues outlined	1	0	10	11	N/A	N/A
Follow-up initiated or completed	1	0	10	11	N/A	N/A
FOLLOW-UP & EVALUATION						
Procedures for disposal of assets are clear	1	0	10	11	N/A	N/A
Assets were disposed of as agreed in file	0	0	11	11	N/A	N/A
The final contribution was paid after receipt of the final claim form, unless early payment was justified on file	3	0	8	11	N/A	N/A
Overpayment has been recorded as a receivable and recovery procedures initiated	0	0	11	11	N/A	N/A
Summary of outcomes is included on file at the end of project	3	0	8	11	N/A	N/A
COMPLIANCE WITH TERMS & CONDITIONS						
Project activities meet program terms and conditions	10	1	0	11	N/A	N/A
GENERAL ADMINISTRATION						
As per February 11, 2000 Senior ADM directive, a life cycle file review checklist is completed and on file	11	0	0	11	N/A	N/A
Participants meet program eligibility criteria	5	0	4	9	N/A	N/A
Participant data is transmitted to HRCC and input to NESS	5	0	4	9	N/A	N/A
HRDC is exercising inappropriate supervisory control and employer/employee relationship may be a problem	0	11	0	11	N/A	N/A
There are risks related to contravention of *Public Service Employment Act*	0	11	0	11	N/A	N/A
There are risks related to improper use of contribution funds because the project is supplying goods or services to HRDC	0	11	0	11	N/A	N/A
There are risks related to liability and public perception	0	11	0	11	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

MANITOBA REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 12 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
APPLICATION						
Application for funding from sponsor on file	12	0	0	12	N/A	100.0%
Application was signed by representative of submitting organization	12	0	0	12	N/A	N/A
Includes objectives and activities	12	0	0	12	N/A	87.5%
Includes a cost estimate	12	0	0	12	N/A	80.0%
Includes explanation of results to be achieved	12	0	0	12	N/A	80.0%
ASSESSMENT						
The written assessment demonstrates that the approved activity supports program objectives	12	0	0	12	N/A	40.0%
Assessment documentation indicates that proposed costs were evaluated	8	0	0	8	N/A	N/A
Sponsor was checked for outstanding debt to HRDC	12	0	0	12	N/A	0.0%
There is formal confirmation of essential funding from other sources	2	4	6	12	N/A	N/A
MP notification on file, if required by program	4	1	3	8	N/A	N/A
MP concurrence on file, if mandatory	0	0	12	12	N/A	66.7%
All other mandatory consultation and concurrence on file	1	0	11	12	N/A	N/A
Environmental assessment process has been addressed adequately in file	11	1	0	12	N/A	25.0%
RECOMMENDATION & APPROVAL						
Rationale/Analysis for funding on file	12	0	0	12	N/A	40.0%
Approval signed with correct delegation of authority	12	0	0	12	N/A	60.0%
Approval signed on or prior to project start date	8	0	0	8	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

MANITOBA REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 12 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
Agreement is on file	12	0	0	12	N/A	100.0%
Objectives include measurable timelines/milestones	8	1	3	12	N/A	N/A
Objectives include measurable statement of quantity	11	1	0	12	N/A	N/A
Expected results are described clearly	12	0	0	12	N/A	N/A
Services and/or activities are described clearly	12	0	0	12	N/A	N/A
Nature of authorized expenses is clear	11	1	0	12	N/A	90.0%
Agreement reflects all approval conditions	0	0	12	12	N/A	N/A
The schedule and basis of payment are clear in the Agreement	11	1	0	12	N/A	N/A
Agreement contains a clause that HRDC may do an audit of costs claimed	12	0	0	12	N/A	100.0%
Agreement includes provisions for Agreement termination with cause and Agreement termination without cause	12	0	0	12	N/A	N/A
Agreement states the requirement for the recipient to repay overpayments, unexpended balances and disallowed expenses	12	0	0	12	N/A	N/A
Text of the Agreement matches the program utilized	11	1	0	12	N/A	80.0%
All necessary schedules are included and properly prepared	11	1	0	12	N/A	N/A
Duration of Agreement is stated	12	0	0	12	N/A	N/A
Agreement includes statement regarding disposition of project revenue	1	1	10	12	N/A	N/A
Agreement value exceeds approval amount	0	12	0	12	N/A	N/A
Forecast of cash flow on file if necessary, appropriate to contracted activities, prepared by sponsor, and in agreement with HRDC contracted total	11	0	1	12	N/A	N/A
Agreement signed on or after project approval date	12	0	0	12	N/A	N/A
Agreement signed on or prior to Agreement start date	7	5	0	12	N/A	N/A
Commitment completed prior to HRDC signing Agreement	10	2	0	12	N/A	N/A
Signed in all required places by HRDC official with correct delegation of authority	12	0	0	12	N/A	100.0%

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

MANITOBA REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 12 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
Reason for amendment is clear	6	0	6	12	N/A	0.0%
Approval for increase amendments was signed with correct delegation of authority	3	0	9	12	N/A	N/A
In the case of financial increase amendments, commitment certification was completed prior to HRDC signing amendment	2	1	9	12	N/A	N/A
Forecast of cash flow amended for financial amendments, where required	3	0	9	12	N/A	N/A
Amendments signed with correct delegation of authority	5	1	6	12	N/A	N/A
PAYMENTS						
If advance issued, sponsor was eligible for advance	8	0	4	12	N/A	N/A
Advance amounts are within Treasury Board limits	8	0	4	12	N/A	66.7%
Only April forecasted expenditures are paid out of previous year funds	5	0	7	12	N/A	N/A
All required claim forms are on file	10	1	1	12	N/A	N/A
Claims are accompanied by activity report and supporting financial documentation if required by Agreement	5	2	5	12	N/A	N/A
Claim amounts for April support the advance amount issued from the previous fiscal year	2	0	10	12	N/A	N/A
Math is correct on all processed claim forms	11	0	1	12	N/A	100.0%
Claim forms are correctly signed by sponsor	12	0	0	12	N/A	N/A
Budget forecast amended as required	2	0	6	8	N/A	N/A
Correct delegation of authority according to Section 34	7	0	0	7	N/A	88.9%
At least two people have initialed/signed/input/approved payment requisition	12	0	0	12	N/A	N/A
MONITORING						
Monitoring has been done according to plan	9	0	3	12	N/A	N/A
Monitoring report(s) on file	8	1	3	12	N/A	50.0%
Project activities were monitored for compliance with Agreement	8	0	4	12	N/A	50.0%

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

MANITOBA REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 12 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
MONITORING						
Financial visits documentation is thorough and accurate	2	0	10	12	N/A	N/A
Contributions from other partners were verified on financial visit	1	1	10	12	N/A	N/A
Follow-up issues outlined	1	1	10	12	N/A	N/A
Follow-up initiated or completed	1	0	11	12	N/A	N/A
FOLLOW-UP & EVALUATION						
Procedures for disposal of assets are clear	0	0	12	12	N/A	N/A
Assets were disposed of as agreed in file	0	0	12	12	N/A	N/A
The final contribution was paid after receipt of the final claim form, unless early payment was justified on file	2	0	10	12	N/A	N/A
Overpayment has been recorded as a receivable and recovery procedures initiated	0	0	12	12	N/A	N/A
Summary of outcomes is included on file at the end of project	3	0	9	12	N/A	N/A
COMPLIANCE WITH TERMS & CONDITIONS						
Project activities meet program terms and conditions	11	1	0	12	N/A	N/A
GENERAL ADMINISTRATION						
As per February 11, 2000 Senior ADM directive, a life cycle file review checklist is completed and on file	11	1	0	12	N/A	N/A
Participants meet program eligibility criteria	4	0	4	8	N/A	N/A
Participant data is transmitted to HRCC and input to NESS	5	1	2	8	N/A	N/A
HRDC is exercising inappropriate supervisory control and employer/employee relationship may be a problem	0	12	0	12	N/A	N/A
There are risks related to contravention of *Public Service Employment Act*	0	12	0	12	N/A	N/A
There are risks related to improper use of contribution funds because the project is supplying goods or services to HRDC	0	12	0	12	N/A	N/A
There are risks related to liability and public perception	0	12	0	12	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

SASKATCHEWAN REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 16 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
APPLICATION						
Application for funding from sponsor on file	15	0	1	16	N/A	88.9%
Application was signed by representative of submitting organization	15	0	1	16	N/A	N/A
Includes objectives and activities	15	0	1	16	N/A	66.7%
Includes a cost estimate	15	0	1	16	N/A	77.8%
includes explanation of results to be achieved	13	2	1	16	N/A	88.9%
ASSESSMENT						
The written assessment demonstrates that the approved activity supports program objectives	15	1	0	16	N/A	33.3%
Assessment documentation indicates that proposed costs were evaluated	9	2	0	11	N/A	N/A
Sponsor was checked for outstanding debt to HRDC	14	2	0	16	N/A	0.0%
There is formal confirmation of essential funding from other sources	1	4	11	16	N/A	N/A
MP notification on file, if required by program	5	1	5	11	N/A	N/A
MP concurrence on file, if mandatory	4	0	12	16	N/A	50.0%
All other mandatory consultation and concurrence on file	4	0	12	16	N/A	N/A
Environmental assessment process has been addressed adequately in file	16	0	0	16	N/A	50.0%
RECOMMENDATION & APPROVAL						
Rationale/Analysis for funding on file	16	0	0	16	N/A	33.3%
Approval signed with correct delegation of authority	15	1	0	16	N/A	55.6%
Approval signed on or prior to project start date	10	1	0	11	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

SASKATCHEWAN REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 16 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
Agreement is on file	15	0	1	16	N/A	88.9%
Objectives include measurable timelines/milestones	9	0	7	16	N/A	N/A
Objectives include measurable statement of quantity	15	0	1	16	N/A	N/A
Expected results are described clearly	15	0	1	16	N/A	N/A
Services and/or activities are described clearly	15	0	1	16	N/A	N/A
Nature of authorized expenses is clear	14	1	1	16	N/A	75.0%
Agreement reflects all approval conditions	1	0	15	16	N/A	N/A
The schedule and basis of payment are clear in the Agreement	15	0	1	16	N/A	N/A
Agreement contains a clause that HRDC may do an audit of costs claimed	15	0	1	16	N/A	100.0%
Agreement includes provisions for Agreement termination with cause and Agreement termination without cause	15	0	1	16	N/A	N/A
Agreement states the requirement for the recipient to repay overpayments, unexpended balances and disallowed expenses	15	0	1	16	N/A	N/A
Text of the Agreement matches the program utilized	13	2	1	16	N/A	87.5%
All necessary schedules are included and properly prepared	14	1	1	16	N/A	N/A
Duration of Agreement is stated	15	0	1	16	N/A	N/A
Agreement includes statement regarding disposition of project revenue	2	0	14	16	N/A	N/A
Agreement value exceeds approval amount	0	14	2	16	N/A	N/A
Forecast of cash flow on file if necessary, appropriate to contracted activities, prepared by sponsor, and in agreement with HRDC contracted total	11	0	5	16	N/A	N/A
Agreement signed on or after project approval date	14	0	2	16	N/A	N/A
Agreement signed on or prior to Agreement start date	10	5	1	16	N/A	N/A
Commitment completed prior to HRDC signing Agreement	13	2	1	16	N/A	N/A
Signed in all required places by HRDC official with correct delegation of authority	15	0	1	16	N/A	100.0%

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

SASKATCHEWAN REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 16 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
Reason for amendment is clear	2	0	14	16	N/A	0.0%
Approval for increase amendments was signed with correct delegation of authority	1	0	15	16	N/A	N/A
In the case of financial increase amendments, commitment certification was completed prior to HRDC signing amendment	0	1	15	16	N/A	N/A
Forecast of cash flow amended for financial amendments, where required	1	0	15	16	N/A	N/A
Amendments signed with correct delegation of authority	2	0	14	16	N/A	N/A
PAYMENTS						
If advance issued, sponsor was eligible for advance	4	0	12	16	N/A	N/A
Advance amounts are within Treasury Board limits	4	0	12	16	N/A	85.7%
Only April forecasted expenditures are paid out of previous year funds	2	0	14	16	N/A	N/A
All required claim forms are on file	13	0	3	16	N/A	N/A
Claims are accompanied by activity report and supporting financial documentation if required by Agreement	7	1	8	16	N/A	N/A
Claim amounts for April support the advance amount issued from the previous fiscal year	2	0	14	16	N/A	N/A
Math is correct on all processed claim forms	13	0	3	16	N/A	100.0%
Claim forms are correctly signed by sponsor	13	0	3	16	N/A	N/A
Budget forecast amended as required	3	0	8	11	N/A	N/A
Correct delegation of authority according to Section 34	6	0	1	7	N/A	100.0%
At least two people have initialed/signed/input/approved payment requisition	14	0	2	16	N/A	N/A
MONITORING						
Monitoring has been done according to plan	14	0	2	16	N/A	N/A
Monitoring report(s) on file	14	0	2	16	N/A	N/A
Project activities were monitored for compliance with Agreement	13	1	2	16	N/A	33.3%

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

SASKATCHEWAN REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 16 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
MONITORING						
Financial visits documentation is thorough and accurate	9	1	6	16	N/A	N/A
Contributions from other partners were verified on financial visit	0	5	11	16	N/A	N/A
Follow-up issues outlined	3	0	13	16	N/A	N/A
Follow-up initiated or completed	3	0	13	16	N/A	N/A
FOLLOW-UP & EVALUATION						
Procedures for disposal of assets are clear	1	0	15	16	N/A	N/A
Assets were disposed of as agreed in file	0	0	16	16	N/A	N/A
The final contribution was paid after receipt of the final claim form, unless early payment was justified on file	8	0	8	16	N/A	N/A
Overpayment has been recorded as a receivable and recovery procedures initiated	0	0	16	16	N/A	N/A
Summary of outcomes is included on file at the end of project	7	1	8	16	N/A	N/A
COMPLIANCE WITH TERMS & CONDITIONS						
Project activities meet program terms and conditions	14	2	0	16	N/A	N/A
GENERAL ADMINISTRATION						
As per February 11, 2000 Senior ADM directive, a life cycle file review checklist is completed and on file	16	0	0	16	N/A	N/A
Participants meet program eligibility criteria	2	0	9	11	N/A	N/A
Participant data is transmitted to HRCC and input to NESS	1	1	9	11	N/A	N/A
HRDC is exercising inappropriate supervisory control and employer/employee relationship may be a problem	0	16	0	16	N/A	N/A
There are risks related to contravention of *Public Service Employment Act*	0	16	0	16	N/A	N/A
There are risks related to improper use of contribution funds because the project is supplying goods or services to HRDC	3	13	0	16	N/A	N/A
There are risks related to liability and public perception	0	16	0	16	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

ALBERTA/NWT/NUNAVUT REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 15 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
APPLICATION						
Application for funding from sponsor on file	15	0	0	15	N/A	92.3%
Application was signed by representative of submitting organization	15	0	0	15	N/A	N/A
Includes objectives and activities	15	0	0	15	N/A	90.0%
Includes a cost estimate	14	1	0	15	N/A	75.0%
Includes explanation of results to be achieved	14	1	0	15	N/A	84.6%
ASSESSMENT						
The written assessment demonstrates that the approved activity supports program objectives	13	2	0	15	N/A	38.5%
Assessment documentation indicates that proposed costs were evaluated	6	3	0	9	N/A	N/A
Sponsor was checked for outstanding debt to HRDC	14	1	0	15	N/A	30.8%
There is formal confirmation of essential funding from other sources	2	2	11	15	N/A	N/A
MP notification on file, if required by program	1	2	6	9	N/A	N/A
MP concurrence on file, if mandatory	0	0	15	15	N/A	100.0%
All other mandatory consultation and concurrence on file	2	0	13	15	N/A	N/A
Environmental assessment process has been addressed adequately in file	15	0	0	15	N/A	0.0%
RECOMMENDATION & APPROVAL						
Rationale/Analysis for funding on file	15	0	0	15	N/A	53.8%
Approval signed with correct delegation of authority	15	0	0	15	N/A	76.9%
Approval signed on or prior to project start date	9	0	0	9	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

ALBERTA/NWT/NUNAVUT REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 15 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
Agreement is on file	15	0	0	15	N/A	100.0%
Objectives include measurable timelines/milestones	12	0	3	15	N/A	N/A
Objectives include measurable statement of quantity	10	2	3	15	N/A	N/A
Expected results are described clearly	15	0	0	15	N/A	N/A
Services and/or activities are described clearly	15	0	0	15	N/A	N/A
Nature of authorized expenses is clear	14	1	0	15	N/A	76.9%
Agreement reflects all approval conditions	0	0	15	15	N/A	N/A
The schedule and basis of payment are clear in the Agreement	12	3	0	15	N/A	N/A
Agreement contains a clause that HRDC may do an audit of costs claimed	15	0	0	15	N/A	100.0%
Agreement includes provisions for Agreement termination with cause and Agreement termination without cause	14	1	0	15	N/A	N/A
Agreement states the requirement for the recipient to repay overpayments, unexpended balances and disallowed expenses	14	0	1	15	N/A	N/A
Text of the Agreement matches the program utilized	12	3	0	15	N/A	92.3%
All necessary schedules are included and properly prepared	13	2	0	15	N/A	N/A
Duration of Agreement is stated	15	0	0	15	N/A	N/A
Agreement includes statement regarding disposition of project revenue	0	1	14	15	N/A	N/A
Agreement value exceeds approval amount	0	15	0	15	N/A	N/A
Forecast of cash flow on file if necessary, appropriate to contracted activities, prepared by sponsor, and in agreement with HRDC contracted total	12	0	3	15	N/A	N/A
Agreement signed on or after project approval date	15	0	0	15	N/A	N/A
Agreement signed on or prior to Agreement start date	13	2	0	15	N/A	N/A
Commitment completed prior to HRDC signing Agreement	12	3	0	15	N/A	N/A
Signed in all required places by HRDC official with correct delegation of authority	15	0	0	15	N/A	84.6%

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

ALBERTA/NWT/NUNAVUT REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 15 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
Reason for amendment is clear	5	0	10	15	N/A	33.3%
Approval for increase amendments was signed with correct delegation of authority	3	0	12	15	N/A	N/A
In the case of financial increase amendments, commitment certification was completed prior to HRDC signing amendment	0	2	13	15	N/A	N/A
Forecast of cash flow amended for financial amendments, where required	3	0	12	15	N/A	N/A
Amendments signed with correct delegation of authority	5	0	10	15	N/A	N/A
PAYMENTS						
If advance issued, sponsor was eligible for advance	8	0	7	15	N/A	N/A
Advance amounts are within Treasury Board limits	8	0	7	15	N/A	72.7%
Only April forecasted expenditures are paid out of previous year funds	7	0	8	15	N/A	N/A
All required claim forms are on file	11	0	4	15	N/A	N/A
Claims are accompanied by activity report and supporting financial documentation if required by Agreement	9	0	6	15	N/A	N/A
Claim amounts for April support the advance amount issued from the previous fiscal year	4	1	10	15	N/A	N/A
Math is correct on all processed claim forms	11	0	4	15	N/A	81.8%
Claim forms are correctly signed by sponsor	11	0	4	15	N/A	N/A
Budget forecast amended as required	2	1	6	9	N/A	N/A
Correct delegation of authority according to Section 34	7	0	1	8	N/A	100.0%
At least two people have initialed/signed/input/approved payment requisition	14	0	1	15	N/A	N/A
MONITORING						
Monitoring has been done according to plan	14	1	0	15	N/A	N/A
Monitoring report(s) on file	13	0	2	15	N/A	30.8%
Project activities were monitored for compliance with Agreement	9	0	6	15	N/A	23.1%

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

ALBERTA/NWT/NUNAVUT REGION

Files starting between February 1, 2000 and June 30, 2000

Questions/Criteria Assessment	Answers				PTD Regional Cumulative Results 15 Files	1999 IAB Audit Results 459 Files
Note: The variance in the total number of answers reported reflects the fact that some questions were not included in all PTD reviews.	Yes	No	N/A	Total	Compliance Level	Compliance Level
MONITORING						
Financial visits documentation is thorough and accurate	3	1	11	15	N/A	N/A
Contributions from other partners were verified on financial visit	0	3	12	15	N/A	N/A
Follow-up issues outlined	3	1	11	15	N/A	N/A
Follow-up initiated or completed	1	1	13	15	N/A	N/A
FOLLOW-UP & EVALUATION						
Procedures for disposal of assets are clear	0	0	15	15	N/A	N/A
Assets were disposed of as agreed in file	0	0	15	15	N/A	N/A
The final contribution was paid after receipt of the final claim form, unless early payment was justified on file	5	0	10	15	N/A	N/A
Overpayment has been recorded as a receivable and recovery procedures initiated	0	0	15	15	N/A	N/A
Summary of outcomes is included on file at the end of project	3	1	11	15	N/A	N/A
COMPLIANCE WITH TERMS & CONDITIONS						
Project activities meet program terms and conditions	15	0	0	15	N/A	N/A
GENERAL ADMINISTRATION						
As per February 11, 2000 Senior ADM directive, a life cycle file review checklist is completed and on file	15	0	0	15	N/A	N/A
Participants meet program eligibility criteria	2	0	7	9	N/A	N/A
Participant data is transmitted to HRCC and input to NESS	2	0	7	9	N/A	N/A
There are risks related to relationship between HRDC and the project	0	15	0	15	N/A	N/A
There are risks related to contravention of *Public Service Employment Act*	0	15	0	15	N/A	N/A
There are risks related to improper use of contribution funds because the project is supplying goods or services to HRDC	1	14	0	15	N/A	N/A
There are risks related to liability and public perception	0	15	0	15	N/A	N/A

APPENDIX 3 - NATIONAL QUARTERLY ANALYSIS

FILES STARTING BETWEEN FEBRUARY 1, 2000 AND JUNE 30, 2000

Questions/Criteria Assessment	Answers				PTD Quarterly Results 58 Files	1999 IAB Audit Results 459 Files
	Yes	No	N/A	Total	Compliance Level	Compliance Level
APPLICATION						
Application for funding from sponsor on file	58	0	0	58	100.0%	85.2%
Application was signed by representative of submitting organization	56	2	0	58	96.6%	N/A
Includes objectives and activities	57	1	0	58	98.3%	75.0%
Includes a cost estimate	57	1	0	58	98.3%	89.0%
Includes explanation of results to be achieved	56	2	0	58	96.6%	89.0%
ASSESSMENT						
The written assessment demonstrates that the approved activity supports program objectives	45	13	0	58	77.6%	31.8%
Assessment documentation indicates that proposed costs were evaluated	42	16	0	58	72.4%	N/A
Sponsor was checked for outstanding debt to HRDC	56	2	0	58	96.6%	2.6%
Environmental assessment process has been addressed adequately in file	42	16	0	58	72.4%	29.6%
RECOMMENDATION & APPROVAL						
Rationale/Analysis for funding on file	51	7	0	58	87.9%	38.0%
Approval signed with correct delegation of authority	55	2	1	58	96.5%	79.2%
Approval signed on or prior to project start date	55	2	1	58	96.5%	N/A
CONTRACTING						
Agreement is on file	56	0	2	58	100.0%	96.4%
Objectives include measurable timelines/milestones	40	1	17	58	97.6%	N/A
Objectives include measurable statement of quantity	49	3	6	58	94.2%	N/A
Expected results are described clearly	54	2	2	58	96.4%	N/A
Services and/or activities are described clearly	56	0	2	58	100.0%	N/A
Nature of authorized expenses is clear	50	6	2	58	89.3%	83.7%
The schedule and basis of payment are clear in the Agreement	40	16	2	58	71.4%	N/A

Questions/Criteria Assessment	Answers				PTD Quarterly Results 58 Files	1999 IAB Audit Results 459 Files
	Yes	No	N/A	Total	Compliance Level	Compliance Level
CONTRACTING						
Agreement contains a clause that HRDC may do an audit of costs claimed	56	0	2	58	100.0%	95.7%
Agreement includes provisions for Agreement termination with cause and Agreement termination without cause	55	1	2	58	98.2%	N/A
Agreement states the requirement for the recipient to repay overpayments, unexpended balances and disallowed expenses	54	0	4	58	100.0%	N/A
Text of the Agreement matches the program utilized	52	4	2	58	92.9%	91.9%
All necessary schedules are included and properly prepared	51	4	3	58	92.7%	N/A
Duration of Agreement is stated	56	0	2	58	100.0%	N/A
Agreement value exceeds approval amount	0	54	4	58	100.0%	N/A
Forecast of cash flow on file if necessary, appropriate to contracted activities, prepared by sponsor, and in agreement with HRDC contracted total	32	0	26	58	100.0%	N/A
Agreement signed on or after project approval date	55	0	3	58	100.0%	N/A
Agreement signed on or prior to Agreement start date	52	4	2	58	92.9%	N/A
Signed in all required places by HRDC official with correct delegation of authority	56	0	2	58	100.0%	86.6%
Reason for amendment is clear	14	1	43	58	93.3%	61.9%
PAYMENTS						
If advance issued, sponsor was eligible for advance	31	1	26	58	96.9%	N/A
Advance amounts are within Treasury Board limits	30	2	26	58	93.8%	71.3%
All required claim forms are on file	47	3	8	58	94.0%	N/A
Claims are accompanied by activity report and supporting financial documentation if required by Agreement	19	4	35	58	82.6%	N/A
Reimbursed expenses are allowable according to program terms and conditions and according to the Agreement	43	5	10	58	89.6%	N/A
Math is correct on all processed claim forms	48	2	8	58	96.0%	92.6%
Claim forms are correctly signed by sponsor	50	0	8	58	100.0%	N/A
Correct delegation of authority according to Section 34	52	0	6	58	100.0%	70.9%
Advance and payment claims are signed or counter-signed as required by five-point directive of February 4, 2000	37	0	21	58	100.0%	N/A
At least two people have initialed/signed/input/approved payment requisition	52	0	6	58	100.0%	N/A

Questions/Criteria Assessment	Answers				PTD Quarterly Results 58 Files	1999 IAB Audit Results 459 Files
	Yes	No	N/A	Total	Compliance Level	Compliance Level
MONITORING						
Monitoring has been done according to plan	34	6	18	58	85.0%	N/A
Monitoring report(s) on file	40	2	16	58	95.2%	44.0%
Project activities were monitored for compliance with Agreement	39	1	18	58	97.5%	23.4%
COMPLIANCE WITH TERMS & CONDITIONS						
Project activities meet program terms and conditions	48	9	1	58	84.2%	N/A
GENERAL ADMINISTRATION						
As per February 11, 2000 Senior ADM directive, a life cycle file review checklist is completed and on file	57	0	1	58	100.0%	N/A
Participants meet program eligibility criteria	27	1	30	58	96.4%	N/A
HRDC is exercising inappropriate supervisory control and employer/employee relationship may be a problem	2	55	1	58	96.5%	N/A
There are risks related to contravention of *Public Service Employment Act*	0	57	1	58	100.0%	N/A
There are risks related to improper use of contribution funds because the project is supplying goods or services to HRDC	1	56	1	58	98.2%	N/A
There are risks related to liability and public perception	0	57	1	58	100.0%	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

Questions/Criteria Assessment	Answers				PTD Quarterly Results 58 Files	1999 IAB Audit Results 459 Files
	Yes	No	N/A	Total	Compliance Level	Compliance Level
ASSESSMENT						
There is formal confirmation of essential funding from other sources	7	8	43	58	N/A	N/A
MP notification on file, if required by program	6	1	51	58	N/A	N/A
MP concurrence on file, if mandatory	10	2	46	58	N/A	57.1%
All other mandatory consultation and concurrence on file	4	0	54	58	N/A	N/A
RECOMMENDATION & APPROVAL						
Rationale on file is complete	51	0	7	58	N/A	N/A
Approval on file	57	1	0	58	N/A	N/A
CONTRACTING						
Agreement reflects all approval conditions	1	0	57	58	N/A	N/A
Agreement includes statement regarding disposition of project revenue	4	0	54	58	N/A	N/A
Agreement is in accordance with all other terms and conditions for selected program	50	6	2	58	N/A	N/A
Commitment completed prior to HRDC signing Agreement	30	23	5	58	N/A	N/A
Signed or counter-signed as required by five-point directive of February 4, 2000.	47	1	10	58	N/A	N/A
Approval for increase amendments was signed with correct delegation of authority	11	0	47	58	N/A	N/A
In the case of financial increase amendments, commitment certification was completed prior to HRDC signing amendment	7	4	47	58	N/A	N/A
Forecast of cash flow amended for financial amendments, where required	10	1	47	58	N/A	N/A
Amendments signed with correct delegation of authority	15	0	43	58	N/A	N/A
PAYMENTS						
Only April forecasted expenditures are paid out of previous year funds	3	0	55	58	N/A	N/A
Claim amounts for April support the advance amount issued from the previous fiscal year	4	1	53	58	N/A	N/A
Budget forecast amended as required	8	5	45	58	N/A	N/A

Other PTD RESULTS

NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only.

Questions/Criteria Assessment	Answers				PTD Quarterly Results 58 Files	1999 IAB Audit Results 459 Files
	Yes	No	N/A	Total	Compliance Level	Compliance Level
MONITORING						
A risk assessment and monitoring plan, completed at Agreement start, is on file	41	14	3	58	N/A	N/A
Financial visit has been completed if required	17	0	41	58	N/A	N/A
Financial visits documentation is thorough and accurate	13	2	43	58	N/A	N/A
Contributions from other partners were verified on financial visit	1	5	52	58	N/A	N/A
Follow-up issues outlined	14	1	43	58	N/A	N/A
Follow-up initiated or completed	11	0	47	58	N/A	N/A
FOLLOW-UP & EVALUATION						
Procedures for disposal of assets are clear	4	0	54	58	N/A	N/A
Assets were disposed of as agreed in file	1	0	57	58	N/A	N/A
The final contribution was paid after receipt of the final claim form, unless early payment was justified on file	11	0	47	58	N/A	N/A
Overpayment has been recorded as a receivable and recovery procedures initiated	0	0	58	58	N/A	N/A
Summary of outcomes is included on file at the end of project	12	2	44	58	N/A	N/A
GENERAL ADMINISTRATION						
Participant data is transmitted to HRCC and input to NESS	28	2	28	58	N/A	N/A

APPENDIX 4 - NATIONAL QUARTERLY FILE REVIEW ANALYSIS BY BUSINESS PROCESS - DETAILED RESULTS

APPLICATION

In the application phase, applicants are required to submit a detailed proposal and/or a standard application form to Human Resources Development Canada (HRDC) that describes the project they want to undertake.

A completed application or proposal should contain a description of objectives to be achieved, a description of the proposed activities, cost estimates, and an explanation of expected results.

For the purpose of this review, an acceptable application could have been in the form of an official application form, a proposal, a letter, or other documents signed by the applicant.

The following table summarizes the results of the review of administration relating to the application phase:

Questions/Criteria Assessment	Answers				PTD Quarterly Results 58 Files	1999 IAB Audit Results 459 Files
APPLICATION	Yes	No	N/A	Total	Compliance Level	Compliance Level
Application for funding from sponsor on file	58	0	0	58	100.0%	85.2%
Application was signed by representative of submitting organization	56	2	0	58	96.6%	N/A
Includes objectives and activities	57	1	0	58	98.3%	75.0%
Includes a cost estimate	57	1	0	58	98.3%	89.0%
Includes explanation of results to be achieved	56	2	0	58	96.6%	89.0%

Application for funding from sponsor on file

- All 58 files reviewed contained an application for funding from the sponsor.

Application was signed by representative of submitting organization

- In 56 files reviewed, a representative of the submitting organization had signed the application.
- In the remaining two files, the application was not signed by a representative of the submitting organization. In one of these cases, the appropriate Human Resource Centre of Canada (HRCC) has indicated that corrective measures are being implemented. In the remaining case, the HRCC is responding to this Performance Tracking Directorate (PTD) observation and recommendation.

Includes objectives and activities

- In 57 files reviewed, the application included a description of the objectives and activities.
- In the remaining file, the sponsor did not include a description of objectives and activities for the project. The HRCC responded that during their negotiations with the proponent, they discussed the objective of the program as well as the expected results and timelines. These were documented in Schedule A for this contract. The HRCC has indicated that corrective measures are being implemented.

Includes a cost estimate

- In 57 files reviewed, the application included a cost estimate.
- In the remaining file, the sponsor did not include in his application a cost estimate for the project. The HRCC has indicated that corrective measures are being implemented.

Includes explanation of results to be achieved

- In 56 files reviewed, the application included an explanation of results to be achieved.
- In the remaining two applications, the sponsor did not include a description of results to be achieved by the project. In these two cases, the HRCCs are responding to this PTD observation and recommendation.

ASSESSMENT

The Assessment phase involves a careful, thorough review of applications/proposals to ensure that they support program objectives and meet local, regional, and national priorities. This phase is important to ensure that the proposal meets HRDC criteria, and is realistic and feasible. It allows the Project Officer to anticipate potential problems in a project and rectify them before the project starts.

Our review consisted of assessing whether or not the files reviewed contained evidence that the project officers considered program criteria in their assessment; that sponsors were checked for outstanding debt to HRDC in the Departmental Accounts Receivable System (DARS) prior to project approval; that there was formal confirmation of essential funding from other sources; that the proposal had all required concurrence; and that the environmental assessment process was addressed adequately on file.

The following table summarizes the results of the review of assessment:

Questions/Criteria Assessment	Answers				PTD Quarterly Results 58 Files	1999 IAB Audit Results 459 Files
ASSESSMENT	Yes	No	N/A	Total	Compliance Level	Compliance Level
The written assessment demonstrates that the approved activity supports program objectives	45	13	0	58	77.6%	31.8%
Assessment documentation indicates that proposed costs were evaluated	42	16	0	58	72.4%	N/A
Sponsor was checked for outstanding debt to HRDC	56	2	0	58	96.6%	2.6%
Environmental assessment process has been addressed adequately in file	42	16	0	58	72.4%	29.6%

The written assessment demonstrates that activity supports program objectives

- In 45 files reviewed, the written assessment demonstrated that the project supported program objectives.
- In the remaining 13 files, 2 files had no assessment on file and 11 files contained assessment information that did not specifically address how the project supported program objectives. In 10 of these cases, the HRCCs have indicated that corrective measures are being implemented. In the remaining three cases, the HRCCs are responding to this PTD observation and recommendation.

Assessment documentation indicates that proposed costs were evaluated

- In 42 files reviewed, the assessment documentation indicated that proposed costs were considered.
- In 16 files, the documentation on file did not indicate that proposed costs were considered. In 14 of these cases, the HRCCs have indicated that corrective measures are being implemented. In the remaining two cases, the HRCC is responding to this PTD observation and recommendation.

Sponsor was checked for outstanding debt to HRDC

- In 56 files reviewed, sponsors were checked for outstanding debt to HRDC.
- In the remaining two files, there was no evidence on file that the sponsor was checked for outstanding debt to HRDC. PTD verification confirmed that no overpayment existed for these two files. In both of these cases, the HRCC has indicated that corrective measures are being implemented.

Environmental assessment process addressed adequately in file

- In 42 files, the environmental assessment was adequately addressed.
- In the remaining 16 files, the required environmental assessment was not followed. Namely, an environmental prescreening form was not on file. In 15 of these cases, the HRCCs have indicated that corrective measures are being implemented. In the remaining case, the HRCC is responding to this PTD observation and recommendation.

RECOMMENDATION AND APPROVAL

After assessment, a proposal may be recommended for funding. The person who has assessed the proposal must make this recommendation, clearly stating the rationale for the funding. A person with the appropriate level of approval authority must sign the funding approval.

The following table summarizes the results of the review of the recommendation and approval phase:

Questions/Criteria Assessment	Answers				PTD Quarterly Results 58 Files	1999 IAB Audit Results 459 Files
RECOMMENDATION & APPROVAL	Yes	No	N/A	Total	Compliance Level	Compliance Level
Rationale/Analysis for funding on file	51	7	0	58	87.9%	38.0%
Approval signed with correct delegation of authority	55	2	1	58	96.5%	79.2%
Approval signed on or prior to project start date	55	2	1	58	96.5%	N/A

Rationale/Analysis for funding on file

- In 51 files reviewed, there was a rationale/analysis for funding the project on file.
- In the remaining seven files, the rationale/analysis for funding the project was not documented on file. In six of these cases, the HRCCs have indicated that corrective measures are being implemented. In the remaining case, the HRCC is responding to this PTD observation and recommendation.

Approval signed with correct delegation of authority

- In 55 files reviewed, the approval was signed with the correct delegation of authority.
- In two files the approval was signed by an HRDC official who did not have approval authority. In one of these cases the HRCC had already identified this issue and corrective measures have been implemented, and in the other case the HRCC is responding to the PTD observation and recommendation.
- In the remaining file, there was no approval on file.

Approval signed on or prior to project start date

- In 55 files reviewed, the required approval was signed on/or prior to the project start date.
- In two files, the approval was signed after the project start date. The HRCCs have indicated that corrective measures are being implemented.
- In the remaining file, there was no approval on file.

CONTRACTING

The contracting phase involves the preparation and signing of an Agreement between HRDC and a sponsor. The Agreement clarifies the roles, responsibilities, and the expectations of both parties. It also sets out measurable objectives and establishes the basis on which the officer will monitor and evaluate the project. The officer can only monitor and evaluate what is set out in the contract. Therefore, it is essential that all Agreements be complete and contain all required terms and conditions.

The following table summarizes the results of the performance tracking review of the contracting phase.

Questions/Criteria Assessment	Answers				PTD Quarterly Results 58 Files	1999 IAB Audit Results 459 Files
CONTRACTING	Yes	No	N/A	Total	Compliance Level	Compliance Level
Agreement is on file	56	0	2	58	100.0%	96.4%
Objectives include measurable timelines/milestones	40	1	17	58	97.6%	N/A
Objectives include measurable statement of quantity	49	3	6	58	94.2%	N/A
Expected results are described clearly	54	2	2	58	96.4%	N/A
Services and/or activities are described clearly	56	0	2	58	100.0%	N/A
Nature of authorized expenses is clear	50	6	2	58	89.3%	83.7%
The schedule and basis of payment are clear in the Agreement	40	16	2	58	71.4%	N/A
Agreement contains a clause that HRDC may do an audit of costs claimed	56	0	2	58	100.0%	95.7%
Agreement includes provisions for Agreement termination with cause and Agreement termination without cause	55	1	2	58	98.2%	N/A
Agreement states the requirement for the recipient to repay overpayments, unexpended balances and disallowed expenses	54	0	4	58	100.0%	N/A
Text of the Agreement matches the program utilized	52	4	2	58	92.9%	91.9%
All necessary schedules are included and properly prepared	51	4	3	58	92.7%	N/A
Duration of Agreement is stated	56	0	2	58	100.0%	N/A
Agreement value exceeds approval amount	0	54	4	58	100.0%	N/A
Forecast of cash flow on file if necessary, appropriate to contracted activities, prepared by sponsor, and in agreement with HRDC contracted total	32	0	26	58	100.0%	N/A
Agreement signed on or after project approval date	55	0	3	58	100.0%	N/A
Agreement signed on or prior to Agreement start date	52	4	2	58	92.9%	N/A
Signed in all required places by HRDC official with correct delegation of authority	56	0	2	58	100.0%	86.6%
Reason for amendment is clear	14	1	43	58	93.3%	61.9%

Agreement is on file

- In 56 files reviewed, a copy of the signed Agreement was on file.
- Of the remaining two files, one file was for a grant program that required a letter of understanding and did not require an Agreement, and one project was cancelled prior to the Agreement being signed.

Objectives include measurable timelines/milestones

- In 40 files reviewed, the Agreements stated objectives that included measurable timelines and/or milestones.
- In one of the files reviewed, the Agreement described objectives that did not include measurable timelines/milestones for the achievement of project results. The HRCC has indicated that corrective measures are being implemented.
- In the remaining 17 files, 1 file was for a grant program that required a letter of understanding and did not require an Agreement, 1 project was cancelled prior to the Agreement being signed and 15 files related to projects that did not require the Agreement to include measurable timelines/milestones. These include projects that maintain the same activity for the full Agreement period.

Objectives include measurable statement of quantity

- In 49 files reviewed, the Agreements stated objectives that included a measurable statement of quantity. Agreement objectives that include a statement of quantity allow program officers to assess the degree to which project results have been attained.
- In three files reviewed, the Agreements did not include a quantitative statement in the objectives. In two of these cases, the HRCCs have indicated that corrective measures are being implemented. In the remaining case, the HRCC is responding to this PTD observation and recommendation.
- Of the remaining six files reviewed, one file was for a grant program that required a letter of understanding and did not require an Agreement, one project was cancelled prior to the Agreement being signed and in four files, the nature of the project did not require the Agreement to include a measurable statement of quantity.

Expected results are described clearly

- In 54 files reviewed, the Agreements clearly described the expected results. This is important in order to allow for meaningful monitoring by program officers.
- In two files reviewed, the expected results were not described clearly in the Agreement. The HRCCs have indicated that corrective measures are being implemented.
- Of the remaining two files, one file was for a grant program that required a letter of understanding and did not require an Agreement, and one project was cancelled prior to the Agreement being signed.

Services and/or activities are described clearly

- In 56 files reviewed, the Agreements clearly stated the services and/or activities.
- Of the remaining two files, one file was for a grant program that required a letter of understanding and did not require an Agreement, and one project was cancelled prior to the Agreement being signed.

Nature of authorized expenses is clear

- In 50 files reviewed, the nature of authorized expenses was clearly described.
- In six files reviewed, the Agreements did not clearly outline the nature of authorized expenses. In five files, the expense categories were too broad to allow for meaningful monitoring of the project costs. In the remaining file, there was a discrepancy in the amounts between Schedule A and Schedule B of the Agreement. In five of these cases, the HRCCs have indicated that corrective measures are being implemented. In the remaining case, the HRCC is responding to this PTD observation and recommendation.
- Of the remaining two files, one file was for a grant program that required a letter of understanding and did not require an Agreement, and one project was cancelled prior to the Agreement being signed.

The schedule and basis of payment are clear in the Agreement

- In 40 files reviewed, the schedule and basis of payment were clear in the Agreement.
- In 15 of 16 files reviewed, the unnecessary payment clauses were not deleted from the Agreement as required. In the remaining file, the payment period (quarterly or monthly) had not been indicated. In these situations, the Agreement did not clearly identify the schedule and basis of payment. In 14 of these cases, the HRCCs have indicated that corrective measures are being implemented. In the remaining two cases, the HRCCs are responding to this PTD observation and recommendation.
- Of the remaining two files, one file was for a grant program that required a letter of understanding and did not require an Agreement, and one project was cancelled prior to the Agreement being signed.

Agreement contains a clause that HRDC may do an audit of costs claimed

- In 56 files reviewed, the Agreements contained a clause allowing for HRDC to audit costs claimed.
- Of the remaining two files, one file was for a grant program that required a letter of understanding and did not require an Agreement, and one project was cancelled prior to the Agreement being signed.

Agreement includes provisions for termination with and without cause

- In 55 files reviewed, the Agreements included appropriate provisions for termination with and without cause.
- In one file reviewed, the Agreement did not contain the provision for termination without cause. In this case, an early termination clause was included in the Agreement; however, the letters 'out' in the word 'without' of the early termination clause were excluded. PTD did not request to amend the Agreement since it terminated on May 19, 2000. The HRCC has implemented corrective measures.
- Of the remaining two files, one file was for a grant program that required a letter of understanding and did not require an Agreement, and one project was cancelled prior to the Agreement being signed.

Agreement states the requirement for the recipient to repay overpayments unexpended balances and disallowed expenses

- In 54 files reviewed, the Agreements included a clause stating the requirement for the recipient to repay overpayments unexpended balances and disallowed expenses.
- Of the four remaining files, one file was for a grant program that required a letter of understanding and did not require an Agreement, one project was cancelled prior to the Agreement being signed, and two files were Job Creation Partnership projects not involving payments to the sponsor.

Text of the Agreement matches the program utilized

- In 52 files reviewed, the text of the Agreement matched the program utilized.
- In four files reviewed, the Articles of Agreement were not those intended for the program utilized. However, these situations did not affect the contractual obligation of both parties. In three of these cases, the HRCCs have indicated that corrective measures are being implemented. In the remaining case, the HRCC is responding to this PTD observation and recommendation.
- Of the remaining two files, one file was for a grant program that required a letter of understanding and did not require an Agreement, and one project was cancelled prior to the Agreement being signed

All necessary schedules are included and properly prepared

- In 51 of the files reviewed, all necessary schedules were included and properly prepared.
- In four files reviewed, all necessary schedules were not included and properly prepared. In three of these cases, the HRCC has indicated that corrective measures are being implemented. In the remaining case, the HRCC is responding to this PTD observation and recommendation.
- Of the three remaining files, one file was for a grant program that required a letter of understanding and did not require an Agreement, one project was cancelled prior to the Agreement being signed, and in the remaining file the issue was raised under a previous question (namely "Text of the Agreement matches the program utilized").

Duration of Agreement is stated

- In 56 files reviewed, the duration of the Agreement was stated.
- Of the remaining two files, one file was for a grant program that required a letter of understanding and did not require an Agreement, and one project was cancelled prior to the Agreement being signed.

Agreement value exceeds approval amount

- In 54 of the files reviewed, the Agreement value did not exceed the approved amount.
- Of the four remaining files, one file was for a grant program that required a letter of understanding and did not require an Agreement, one project was cancelled prior to the Agreement being signed, and in two files there was no approval amount on file.

Cash flow forecast on file, if necessary, appropriate to contracted activities, signed by sponsor and in agreement with HRDC contracted total

- Thirty-two of the files reviewed contained the required cash flow forecast, signed by the sponsor and in agreement with HRDC contracted total.
- Of the 26 remaining files, 1 file was for a grant program that required a letter of understanding and did not require an Agreement, 1 project was cancelled prior to the Agreement being signed, 2 files were Job Creation Partnership projects not involving payments to the sponsor, and 22 files did not require a cash flow forecast to be on file since there was no advance to be made to the sponsor.

Agreement signed on/or after project approval date

- In 55 files reviewed, the Agreement was signed on/or after the project approval date.
- In the three remaining files, one file was for a grant program that required a letter of understanding and did not require an Agreement, and one project was cancelled prior to the Agreement being signed and one file had no approval on file.

Agreement signed on/or prior to Agreement start date

- In 52 of the files reviewed, the Agreement was signed on/or prior to the Agreement start date.
- In four files reviewed, the Agreement was signed after the Agreement start date. In all four cases, the HRCCs have indicated that corrective measures are being implemented.
- Of the remaining two files, one file was for a grant program that required a letter of understanding and did not require an Agreement, and one project was cancelled prior to the Agreement being signed.

Signed in all required places by HRDC official with correct delegation of authority

- In 56 files reviewed, the Agreement was signed in all required places by an HRDC official with the appropriate delegated authority at the Agreement level.
- Of the two remaining files, one file was for a grant program that required a letter of understanding and did not require an Agreement, and one project was cancelled prior to the Agreement being signed.

Reason for amendment is clear

- In 14 files reviewed, the reason for the amendment to the original Agreement was clearly identified.
- In one file reviewed, the amendment was done to increase the value of the original Agreement by $5,242. There was no documentation on file to support the increase from the original Agreement amount. The HRCC has implemented corrective measures.
- In the 43 remaining files, there was no amendment to the original Agreements.

PAYMENTS

A contribution payment can be in the form of a progress payment or an advance. A progress payment consists of reimbursing allowable expenses incurred by the sponsor and claimed for a period ranging from 30 days to 90 days.

Advances consist of payments for anticipated expenses for a specific period, usually monthly or quarterly. Sponsors submit payment claims at the end of each period to account for the advances received. The terms and conditions of each Agreement specify any requirements for the sponsor to submit an activity report for the same period. It is the responsibility of sponsors to keep adequate financial documentation in support of their expenses.

The following table summarizes the results of the review of payments.

Questions/Criteria Assessment	Answers				PTD Quarterly Results 58 Files	1999 IAB Audit Results 459 Files
PAYMENTS	Yes	No	N/A	Total	Compliance Level	Compliance Level
If advance issued, sponsor was eligible for advance	31	1	26	58	96.9%	N/A
Advance amounts are within Treasury Board limits	30	2	26	58	93.8%	71.3%
All required claim forms are on file	47	3	8	58	94.0%	N/A
Claims are accompanied by activity report and supporting financial documentation if required by Agreement	19	4	35	58	82.6%	N/A
Reimbursed expenses are allowable according to program terms and conditions and according to the Agreement	43	5	10	58	89.6%	N/A
Math is correct on all processed claim forms	48	2	8	58	96.0%	92.6%
Claim forms are correctly signed by sponsor	50	0	8	58	100.0%	N/A
Correct delegation of authority according to Section 34	52	0	6	58	100.0%	70.9%
Advance and payment claims are signed or counter-signed as required by five-point directive of February 4, 2000	37	0	21	58	100.0%	N/A
At least two people have initialed/signed/input/approved payment requisition	52	0	6	58	100.0%	N/A

If advance issued, sponsor was eligible for an advance

- In 31 files reviewed, in which advances had been issued, the sponsor was eligible for an initial advance.
- In one file, the amount advanced to the sponsor exceeded the amount stated in Schedule D of the Agreement by $4,334. The HRCC has indicated that corrective measures are being implemented.
- In the 26 remaining files, no advance payments were issued.

Advance amounts are within Treasury Board limits

- In 30 files reviewed, in which advances had been issued, the advances were within Treasury Board limits.
- In two files, the advance issued exceeded Treasury Board Limits. In one file, the initial advance issued to the sponsor exceeded the 75% limit outlined in the Treasury Board policy on advances by $7,500. In the remaining file, the second advance issued to the sponsor covered a two-month period while Treasury Board policy on advances states that for an Agreement of this value all subsequent advances must be monthly. In all cases, the HRCCs have indicated that corrective measures are being implemented.
- In the 26 remaining files, no advance payments were issued.

All required claim forms are on file

- In 47 files reviewed, all the required claim forms from the sponsor were on file.
- In three files reviewed, the sponsor did not submit to HRCC a monthly claim form as required by the Agreement. In two of these cases, the HRCCs have indicated that corrective measures are being implemented. In the remaining case, the HRCC is responding to this PTD observation and recommendation.
- Of the remaining eight files, no claims were required as of the time of the file review.

Claims are accompanied by an activity report and supporting financial documentation, if required by Agreement

- In 19 files reviewed, the claims were accompanied by the required supporting documentation.
- In four files reviewed, claims did not contain the activity report as required by the Agreement. In all these cases, the HRCCs have indicated that corrective measures are being implemented.
- Eight of the remaining 35 files had no claims on file as of the time of the file review and in 27 files the Agreement did not require that an activity report or supporting documentation accompany the claim.

Reimbursed expenses are allowable according to program terms and conditions and according to the Agreement

- In 43 files reviewed, the reimbursed expenses were allowable expenses in accordance with the program terms and conditions and in accordance with the Agreement.
- In three of the five files reviewed, there were reimbursed expenses that were not identified as allowable in the Agreement. In the remaining two files some reimbursed expenses were not in accordance with the program terms and conditions. In three of these cases, the HRCCs have indicated that corrective measures are being implemented and in two cases, the HRCCs are responding to this PTD observation and recommendation.
- Of the remaining 10 files, 8 files had no claims on file as of the time of the file review. In one case there were no expenses to be reimbursed and in the remaining case the issue has been identified under a different question.

Math is correct on claim forms

- In 48 files reviewed, the math calculation on claim forms was correct.
- In two files reviewed, mathematical errors were found. In one instance the error in calculation resulted in an underpayment to the sponsor in the amount of $50. In the other case, the amount paid to the sponsor was the amount that should have been paid but the claim did not reflect this new changed amount. In all cases, the HRCC has indicated that corrective measures are being implemented.
- The remaining eight files had no claims on file as of the time of the file review.

Claim forms are correctly signed by sponsor

- In 50 files reviewed, the sponsors correctly signed the claim forms.
- The remaining eight files had no claims on file as of the time of the file review.

Correct delegation of authority according to Section 34

- In 52 files reviewed where an advance or payment had been processed, payments were authorized with the correct delegation of authority under Section 34 of the *Financial Administration Act*.
- In the remaining six files, there were no processed advances or claims on file.

Advance and payment claims are signed or counter-signed as required by the five-point directive of February 4, 2000

- In 37 files reviewed where an advance or payment claim was on file, these were signed or counter-signed as required by the five-point directive of February 4, 2000.
- In the remaining 21 files, there were no payments or claims processed prior to the termination of the counter-signature requirement.

At least two people have initialed/signed/input/approved payment requisitions

- In 52 files reviewed where an advance or payment claim was on file, payments met the requirement for segregation of duties, i.e., the involvement of at least two people in the payment requisition process.
- In the remaining six files, there were no claims or processed advances on file.

MONITORING

Monitoring is the mechanism used by officers to ensure compliance with Agreements. It involves visiting or communicating with sponsors to ensure they are meeting obligations and conducting activities in accordance with their Agreements. It provides the opportunity to work with the sponsor and participants to resolve problems and to improve activities, if necessary, to achieve the best possible results. It is also important in order to verify that all expenses claimed are allowable under the Agreement and are supported by acceptable supporting documentation.

Effective project management and monitoring involves completing a monitoring risk assessment at project start-up.

The following table summarizes the results of the review of the monitoring phase.

Questions/Criteria Assessment	Answers				PTD Quarterly Results 58 Files	1999 IAB Audit Results 459 Files
MONITORING	Yes	No	N/A	Total	Compliance Level	Compliance Level
Monitoring has been done according to plan	34	6	18	58	85.0%	N/A
Monitoring report(s) on file	40	2	16	58	95.2%	44.0%
Project activities were monitored for compliance with Agreement	39	1	18	58	97.5%	23.4%

Monitoring has been done according to plan

- In 34 reviewed files, the monitoring was completed according to plan.
- In six files reviewed, the scheduled visits were not completed in the timeframe identified in the monitoring plan. In four of these cases, the HRCC has indicated that corrective measures are being implemented. In the remaining two cases, the HRCC is responding to this PTD observation and recommendation.
- In the remaining 18 files, 1 file was for a grant program and did not require monitoring, 1 project was cancelled prior to the Agreement being signed, 1 project was terminated before completion, in 13 files monitoring visits were not due at the time of the file review, and in 2 files there was no monitoring plan on file.

Monitoring reports on file

- In 40 files reviewed, the required monitoring report was on file.
- In two files reviewed, there was information on file indicating that monitoring had occurred, however, no monitoring reports were on file. In one of these cases, the HRCC indicated that corrective measures are being implemented. In the remaining case, the HRCC is responding to this PTD observation and recommendation.
- In the remaining 16 files, 1 file was for a grant program and did not require monitoring, 1 project was cancelled prior to starting, 1 project was terminated before completion and in 13 files monitoring visits were not due at the time of the file review.

Project activities were monitored for compliance with Agreement

- In 39 files reviewed, project activities were monitored for compliance with Agreement.
- In one file reviewed, a monitoring report was on file; however, there was no documentation indicating that the project activities were monitored for compliance with the Agreement. The HRCC has indicated that corrective measures have been implemented.
- As for the remaining 18 files, 1 file was for a grant program and did not require monitoring, 1 project was cancelled prior to starting, 1 project was terminated before completion, in 13 files monitoring visits were not due at the time of the file review and in 2 files there was no monitoring report on file.

COMPLIANCE WITH TERMS AND CONDITIONS

Questions/Criteria Assessment	Answers				PTD Quarterly Results 58 Files	1999 IAB Audit Results 459 Files
COMPLIANCE WITH TERMS & CONDITIONS	Yes	No	N/A	Total	Compliance Level	Compliance Level
Project activities meet program terms and conditions	48	9	1	58	84.2%	N/A

Project activities meet program terms and conditions

- In 48 files reviewed, the project activities were compliant with program terms and conditions.
- In nine files reviewed, the project activities were reviewed and were not in compliance with all aspects of the program terms and conditions. All nine issues were related to misinterpretation of program terms and conditions. In four of these cases, the HRCCs have indicated that corrective measures are being implemented. In the remaining five cases, the HRCCs are responding to this PTD observation and recommendation.
- As for the remaining file, the project was cancelled prior to the Agreement being signed.

GENERAL ADMINISTRATION

Questions/Criteria Assessment	Answers				PTD Quarterly Results 58 Files	1999 IAB Audit Results 459 Files
GENERAL ADMINISTRATION	Yes	No	N/A	Total	Compliance Level	Compliance Level
As per February 11, 2000 Senior ADM directive, a life cycle file review checklist is completed and on file	57	0	1	58	100.0%	N/A
Participants meet program eligibility criteria	27	1	30	58	96.4%	N/A
HRDC is exercising inappropriate supervisory control and employer/employee relationship may be a problem	2	55	1	58	96.5%	N/A
There are risks related to contravention of *Public Service Employment Act*	0	57	1	58	100.0%	N/A
There are risks related to improper use of contribution funds because the project is supplying goods or services to HRDC	1	56	1	58	98.2%	N/A
There are risks related to liability and public perception	0	57	1	58	100.0%	N/A

As per February 11, 2000 Senior ADM directive, a life cycle file review checklist is completed and on file

- In 57 files reviewed, the project life cycle file review checklist was on file.
- As for the remaining file, the project was cancelled prior to the Agreement being signed.

Participants meet program eligibility criteria

- In 27 files reviewed, participants met all program eligibility criteria.
- In one file reviewed, the documentation on file confirmed that the participant did not meet program eligibility criteria. The HRCC has indicated that corrective measures have been implemented.
- As for the remaining 30 files, there were no participants on 29 projects, and in 1 file the project was cancelled prior to the Agreement being signed.

HRDC is exercising inappropriate supervisory control and employer/employee relationship may be a problem

- In 55 files reviewed, the HRCCs were not exercising inappropriate supervisory control and there was no apparent risk of employer/employee relationship.
- In two files reviewed, the documentation on file demonstrated that there was a risk of the HRCC creating an employer/employee relationship. In one of these cases, the HRCC has indicated that corrective measures are being implemented. In the remaining case, the HRCC is responding to this PTD observation and recommendation.
- As for the remaining file, the project was cancelled prior to the Agreement being signed.

There are risks related to contravention of the Public Service Employment Act

- In 57 files reviewed, there was no risk related to the contravention of the *Public Service Employment Act*.
- As for the remaining file, the project was cancelled prior to the Agreement being signed.

There are risks related to improper use of contribution funds because the project is supplying goods or services to HRDC

- In 56 files reviewed, there was no risk related to improper use of contribution funds.
- In one file reviewed, PTD identified risks related to improper use of contribution funds because the project appears to be providing services to HRDC. The HRCC is responding to the PTD observation and recommendation.
- As for the remaining file, the project was cancelled prior to starting.

There are risks related to liability and public perception

- In 57 files reviewed, there was no risk related to liability and public perception.
- As for the remaining file, the project was cancelled prior to starting.

Other PTD RESULTS	NOTE: Not statistically valid due to low numbers reviewed Provided for information purposes only					
Questions/Criteria Assessment	**Answers**				**PTD Quarterly Results 58 Files**	**1999 IAB Audit Results 459 Files**
	Yes	**No**	**N/A**	**Total**	**Compliance Level**	**Compliance Level**
ASSESSMENT						
There is formal confirmation of essential funding from other sources	7	8	43	58	N/A	N/A
MP notification on file, if required by program	6	1	51	58	N/A	N/A
MP concurrence on file, if mandatory	10	2	46	58	N/A	57.1%
All other mandatory consultation and concurrence on file	4	0	54	58	N/A	N/A
RECOMMENDATION & APPROVAL						
Rationale on file is complete	51	0	7	58	N/A	N/A
Approval on file	57	1	0	58	N/A	N/A
CONTRACTING						
Agreement reflects all approval conditions	1	0	57	58	N/A	N/A
Agreement includes statement regarding disposition of project revenue	4	0	54	58	N/A	N/A
Agreement is in accordance with all other terms and conditions for selected program	50	6	2	58	N/A	N/A
Commitment completed prior to HRDC signing Agreement	30	23	5	58	N/A	N/A
Signed or counter-signed as required by five-point directive of February 4, 2000	47	1	10	58	N/A	N/A
Approval for increase amendments was signed with correct delegation of authority	11	0	47	58	N/A	N/A
In the case of financial increase amendments, commitment certification was completed prior to HRDC signing amendment	7	4	47	58	N/A	N/A
Forecast of cash flow amended for financial amendments, where required	10	1	47	58	N/A	N/A
Amendments signed with correct delegation of authority	15	0	43	58	N/A	N/A
PAYMENTS						
Only April forecasted expenditures are paid out of previous year funds	3	0	55	58	N/A	N/A
Claim amounts for April support the advance amount issued from the previous fiscal year	4	1	53	58	N/A	N/A
Budget forecast amended as required	8	5	45	58	N/A	N/A
MONITORING						
A risk assessment and monitoring plan, completed at Agreement start, is on file	41	14	3	58	N/A	N/A
Financial visit has been completed if required	17	0	41	58	N/A	N/A
Financial visits documentation is thorough and accurate	13	2	43	58	N/A	N/A
Contributions from other partners were verified on financial visit	1	5	52	58	N/A	N/A
Follow-up issues outlined	14	1	43	58	N/A	N/A
Follow-up initiated or completed	11	0	47	58	N/A	N/A

Other PTD RESULTS	NOTE: Not statistically valid due to low numbers reviewed. Provided for information purposes only					
Questions/Criteria Assessment	**Answers**				**PTD Quarterly Results 58 Files**	**1999 IAB Audit Results 459 Files**
	Yes	**No**	**N/A**	**Total**	**Compliance Level**	**Compliance Level**
FOLLOW-UP & EVALUATION						
Procedures for disposal of assets are clear	4	0	54	58	N/A	N/A
Assets were disposed of as agreed in file	1	0	57	58	N/A	N/A
The final contribution was paid after receipt of the final claim form, unless early payment was justified on file	11	0	47	58	N/A	N/A
Overpayment has been recorded as a receivable and recovery procedures initiated	0	0	58	58	N/A	N/A
Summary of outcomes is included on file at the end of project	12	2	44	58	N/A	N/A
GENERAL ADMINISTRATION						
Participant data is transmitted to HRCC and input to NESS	28	2	28	58	N/A	N/A

APPENDIX 5 - NATIONAL QUARTERLY FINANCIAL REVIEW ANALYSIS

The following tables provide more detailed results on the financial reviews.

DATA		FILES		%
	Population of files statistically selected	58		100.0%
	On-site audit files	27		46.5%
	Desk audit files	23		39.7%
	Files with no processed claim on file	8		13.8%
TOTAL		58		100.0%

RESULTS		FILES	AMOUNT	%
	Total amount reviewed	50	$2,156,986	100.0%

IDENTIFIED ADJUSTMENTS		OBSERVATIONS	AMOUNT	%
	Amounts claimed were not actual and incurred expenses	2	$ 100.00	.005%
	Amounts claimed were incurred before the Agreement start date	5	$7,531.00	0.35%
	Amounts claimed were not for expense categories allowed in Agreement	3	$3,729.00	0.17%
	Amounts claimed were not within category limits approved by HRDC	2	$2,128.00	0.10%
	GST rebate has not been accurately calculated and deducted from the amount claimed	6	$3,231.00	0.15%
	Amounts claimed were not project related	3	$ 399.00	0.02%
TOTAL		21	$17,118.00	0.79%

FOLLOW-UP REQUIRED		OBSERVATIONS	AMOUNT
	Still under review/clarification required from HRCC	21	$44,282

FINANCIAL REVIEW CONCLUSIONS

- The total amount of claimed expenditures reviewed by PTD was $2,156,986. Of the total reviewed, $17,118 (or 0.79%) (21 cases) of costs claimed by the sponsor and reimbursed by HRDC were deemed not allowable under the existing project Agreements.
- In two cases, the amounts claimed by the sponsor had not been incurred. This accounted for $100 or 0.005% of the total amount reviewed.
- As was the case in the last report, the major cause detected for inappropriate payments related to the timing of project expenditures in relation to Agreement start dates. In these five cases, the expenditures were project related and eligible expenses as per the Agreement. However, these expenditures were incurred before the Agreement start date. This accounted for $7,531 or 0.35% of the total amount reviewed.
- In three cases amounts were claimed in expense categories that had not been identified as allowable in the Agreement. This accounted for $3,729 or 0.17% of the total amount reviewed.
- In two cases, the sponsors claimed for expenditures that exceeded the expense category maximums as identified in Schedule B of the Agreement. This accounted for $2,128 or 0.10% of the total amount reviewed.
- In six cases, the Goods and Services Tax claimed by the sponsor and reimbursed to the sponsor was not allowable as per the Agreement. HRDC will only reimburse the GST/HST portion of eligible expenses that are not subject to input tax credit to recipient by Canadian Customs and Revenue Agency. This adjustment accounted for $3,231 or 0.15% of the total amount reviewed.
- In the remaining three cases, the sponsor claimed expenses that were determined by PTD as not project related. These accounted for $399 in adjustment or 0.02% of the total amount reviewed.
- In addition, 21 cases were identified where further information from the responsibility centre is required to determine whether the amounts reimbursed to the sponsor were allowable expenses as per the Agreement. The total value of the expenses requiring follow-up is $44,282.

Appendix 4

Grants and Contributions Assessment of Dormant File Review Report – PricewaterhouseCoopers

March 2001

Assessment of Dormant File Review
Report
Human Resources Development Canada

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1. Introduction

1.1 Purpose of this Document

In September 2000, Human Resources Development Canada (HRDC) contracted PricewaterhouseCoopers (PwC) LLP to conduct an Assessment of the work done by the Department on the review of dormant grant and contribution files (i.e., closed files from fiscal years 1998–1999 and 1999-2000).

The purpose of this document is to report on the Assessment from October 2000 to January 2001.

1.2 Project Objectives

The objectives of this Assessment were to:

- Comment on the effectiveness of the screening method;
- Comment on the effectiveness of the internal review performed on the dormant files;
- Determine the cost effectiveness of further reviewing or auditing closed files; and
- Suggest alternative methodologies to investigate problematic files.

1.3 Background

Grant and Contribution Programs Overview

There are seven major categories of grant and contribution programs at HRDC:

- ***Labour Market Programs***, including Targeted Wage Subsidies, Job Creation Partnerships, Skills Development, Self-Employment, Employment Assistance Services, Local Labour Market Partnerships, Research and Innovation, Opportunities Fund and Canada Jobs Fund;
- ***Youth Programs*** including Youth Service Canada, Youth Internship, Youth Information, Student Summer Job Action and Youth International Internship;
- ***Aboriginal Programs*** deliver employment and social development programs geared to the specific needs and priorities of Aboriginal communities through Aboriginal Human Resources Development Agreements;
- ***Human Resources Partnerships*** support employer and worker organizations in particular sectors of the Canadian economy or society;

- ***Labour-Management Partnerships*** support employers and unions in testing specific innovations that will improve workplaces through the Labour Program;
- ***Learning and Literacy Programs*** support literacy organizations, the development and use of new learning technologies and international educational exchanges; and
- ***Social Development Programs*** support national research and development by the voluntary, non-profit sector with a particular focus on child care research through the Childcare Visions program.

The 1999 Internal Audit of Grants and Contributions

In 1999, HRDC's Internal Audit Bureau (IAB) conducted an audit of the documentation in the project files of seven grant and contribution programs delivered at the local, regional and national levels. IAB examined a total of 461 files and found that additional follow-up was required for 37 of the audited projects deemed to have a higher risk.

These audited files represented approximately $235 million in projects under grants and contributions from all program areas. The auditors reviewed the files to verify if the documentation in place met all Treasury Board Secretariat and HRDC standards and regulations.

Based on the results of the audit, IAB recommended standardized file management procedures to ensure that all HRDC grant and contribution files include: an application from the sponsor; cash flow reports; documentation on the number of expected participants, activities to be supported and description of anticipated results; reports on financial and activity monitoring; and confirmation that the sponsor has no outstanding debts to HRDC.

Six-Point Action Plan

In response to the findings of the 1999 audit, the Department developed and implemented a Six-Point Action Plan addressing issues and concerns to enhance the program integrity.

The Six-Point Action Plan was developed to rectify administrative problems and help HRDC manage flexible, responsive programs in ways that ensure proper accountability and controls for public funds. As part of the Action Plan, HRDC staff reviewed every active file and brought them up to the standards set by the Treasury Board Secretariat and HRDC.

The Grants and Contributions Action Plan covers six points:

- Control Present Payments;
- Correct Past Problems;
- Equip and Support Staff;
- Ensure accountability;
- Get Best Advice; and,
- Report on Progress

One of the action items (under Point Two: Correct Past Problems) was to develop a cost-effective screening method for reviewing closed files for 1998-99 and 1999-2000. The purpose was to identify a sample of closed files based on highest risk and take corrective measures where there is a possibility of over-payment.

From February – April 2000, PwC was contracted by HRDC to develop the risk-based screening methodology in consultation with departmental officials. Based on the proposed methodology, HRDC undertook the following:

- In April 2000, HRDC National Headquarters, in consultation with PwC, selected a sample of dormant files from each of the grant and contribution programs based on a ranking of potential risk against nine attributes (see *Appendix A*). The sample chosen totaled 516 files drawn from 23 programs for fiscal years 1998-1999 and 1999-2000.
- Between May and September 2000, regional staff reviewed the 516 files and reported the results to National Headquarters.
- In October 2000 HRDC National Headquarters reviewed the results and chose 174 of the files for further review (i.e., further information required on contract compliance or confirmation that no overpayment existed).
- In November and December 2000, regional staff reviewed the 174 files and effected closure on these files on January 23, 2001.[1]

The Report of the Auditor General of Canada (October 2000)

In October 2000, the Auditor General of Canada released an audit report on the management of grant and contribution programs at HRDC up to December 1999. The audit examined four of the grant and contribution programs and concluded there were deficiencies in the management control framework. These included breaches of authority, payments made improperly, limited monitoring of finance and activities, and approvals not based on established processes.

The report noted that good progress was made toward meeting the commitments in HRDC's Six-Point Action Plan, but that HRDC would need to sustain its efforts to achieve the broad changes the Action Plan envisioned.

[1] In addition to the dormant file review, as part of the 1999 IAB audit, 461 files were reviewed by HRDC. An additional 309 files were reviewed by the Auditor General's Office as part of the October 2000 report.

2. Methodology and Approach

The following outlines the major tasks undertaken by PwC to meet the objectives of the Assessment.

2.1 Effectiveness of the screening method

PwC was required to comment on the effectiveness of the screening methodology. To do so, PwC reviewed documentation used to conduct the screening methodology and interviewed National Headquarters and regional personnel regarding the work undertaken.

2.2 Effectiveness of the internal review performed on the dormant files

As a second step, PwC was required to comment on the effectiveness of the internal review performed on dormant files. To do so, PwC evaluated the results from the internal review of the higher risk files and the effectiveness of the results assessed.

2.3 Determination of the cost effectiveness of further reviewing closed files

An important factor in considering cost effectiveness is the value gained by HRDC in identifying and recovering overpayments from a further review of dormant files. On the other side is the price paid, in terms of effort directly involved in carrying out the review and that lost by staff diverted from their day-to-day activities.

At a general level, PwC assessed the cost and benefits of reviewing additional dormant files.

2.4 Alternative methodologies to investigate problematic files

Best practices identified during the conduct of the project and experiences gained in the conduct of similar assignments were identified as part of the Assessment.

3. Assessment Findings

3.1 Effectiveness of the screening method

The dormant file review, conducted by regions between May and October 2000, included nine risk attributes that were to be considered when reviewing a dormant project file. The screening method would allow the viewer to decide if the file would, or would not, be likely to contain an overpayment.

As part of this Assessment, PwC looked at the effectiveness of the application of the screening method. Based on a population of approximately 32,000 dormant files, the Department selected 516 high-risk files from the grant and contribution programs. Seventeen of these files contained overpayments amounting to approximately $330,500. In addition, the Department determined that 174 of these files were considered to be problematic. These files were subjected to further examination by HRDC. Eighteen additional files containing $99,500 in overpayments were identified during this second phase.

Thus, from the review of dormant files using a risk-based approach, the Department identified approximately $430,000 in overpayments. Putting this into perspective, the value of the overpayments represented 0.2% of the total value of the 516 high-risk files valued at $210 million[2] or just under 24% of the total value of payments made through dormant files of $880 million.

The screening method developed by HRDC National Headquarters and applied by the regions to a sample of high-risk dormant files was effective in providing a framework for assessing potential overpayments. The screening method was effective in defining risk conditions by program type and focusing the effort of regional personnel to programs and projects of highest risk of overpayment.

3.2 Effectiveness of the internal review performed on the dormant files

Completion of High-Risk Files

To confirm the completion of the 516 files, in October 2000, Grants and Contributions Project Team staff reviewed the reports for each of the files. Project Team staff joined Internal Audit Bureau (IAB) auditors in on-site reviews, in each region, to review a sample of the files. Based on this, IAB staff identified 174 files from eight regions and two headquarters branches where there appeared to be uncertainty or inconsistency in the close-out of the files.

Based on these findings, the Senior Assistant Deputy Minister (SADM), by memorandum, instructed regional and headquarter branches to undertake

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[2] In addition, the IAB audit of 1999 identified overpayments of $230,649 in 461 projects. Based on information from HRDC, this represented 0.1% of the total projects' value of $234.5 million.

further work to close these files. In particular, the SADM required responses to two questions:

1. Has the project sponsor delivered the service it was contracted for?
2. Was the final payment made properly to close out the financial aspects of the project? Was there an overpayment?

As an aid in completing the files, guidelines requiring responses were issued.

To assess how well the regions had responded to the instructions, PwC chose, on a random basis, 36 of the completed files, and requested the regions to report on their response to the questions. In 25 files, the regions were asked to record and support their responses. In the other 11 files, the region had to record their response and produce the supporting documents.

Two of the files are under review by third parties and were removed from the sample.

PwC found that in each of the 34 files, contract delivery was responded to appropriately.

In the case of the financial aspects, PwC found that three of the files required further follow-up. HRDC undertook a further review of these three files and resolved all of the outstanding issues.

Status of Dormant File Review

In May 2000, the regions were asked to review 516 higher risk dormant files to determine if they had been closed out in accordance with HRDC financial and management requirements. As stated above, the process involved the use of a risk-based approach to the selection and review of the files.

In September 2000, 174 files of the 516 were identified by National Headquarters as 'problematic' (i.e., financial and/or performance reporting were not completed in accordance with departmental requirements). In October 2000, the SADM asked the regions to conduct additional work to complete the file review and, as required, make on-site visits to the recipient to ensure that no over-payments were made. The work was to be completed by October 31, 2000. As of January 23, 2001, all 174 files were reported as being closed out. However, as noted above, remedial work was still being done on some of these files.

The review of the 174 files required considerable effort, direction, and follow-up to be completed and, as noted above, took longer than originally scheduled. It is recognized, however, that these were complex files and that the labour-intensive work on these had to be fitted in with day-to-day service priorities.

3.3 Determination of the cost effectiveness of further reviewing closed files

There are no specific and accurate means of identifying the costs associated with the review of dormant files by HRDC. However, the major inputs and approximate costs[3] (Operating and Maintenance and Salary funds) to the review of dormant files include the following:

Item	Cost (O&M and Salary $)
Regional Review of Dormant Files	
Newfoundland Region	$14,050
Prince Edward Island Region	22,490
Nova Scotia Region	29,575
New Brunswick Region	8,000
Quebec Region	47,000
Ontario Region	128,000
Manitoba Region	6,500
Saskatchewan Region	59,600
Alberta Region	17,000
British Columbia Region	16,000
Quality review of dormant files by HQ	20,000
Development of risk assessment criteria	100,555
Assessment of dormant file methodology	46,739
HRDC HQ G&C Team	15,000
Total	**$530,509**

Although the above-noted costs are approximate, the amount reported is greater than the amount found as over-payments (i.e., $430,000) in the dormant file review. Moreover, the above-noted calculation of costs does not include the cost of lost productivity or the potential costs associated with diminished client services or employee morale.

Also, the 516 files reviewed by HRDC were considered as 'high risk.' One criterion of 'high risk' was the value attached to the file. On average, the value of a 'high-risk' file was approximately $400,000. The average value of each of the remaining 31,925 'non high-risk' files was approximately $21,000. There is no guarantee that the level of effort in reviewing a 'non high-risk' file will be much less than that of reviewing a 'high-risk' file.

Therefore, to undertake additional work on dormant files by regional personnel, the Department should address the following questions: is ongoing review based on the need to show a 'reasonable' benefit – cost comparison (e.g., one dollar of effort should result in one dollar of over-payment)? If so, the costs of administration appear to exceed the amount collected and the Department should discontinue any further work on dormant files.

[3] This information was reported to PwC by HRDC Grants and Contributions Team on January 12, 2001.

We recommend that no additional 'stand-alone' work on dormant files be carried out by regions and nationally delivered program units at National Headquarters similar to that carried out during 2000, based on the above cost-benefit analysis.

3.4 Alternative methodologies to investigate problematic files

As shown above, the retroactive investigation of problematic files does not appear to be cost-effective. However, we maintain that to respond to the issues associated with the management of grant and contribution programs, the work was appropriate and necessary.

In early 2000, the Department established the Performance Tracking Directorate to continuously review the grant and contribution project files maintained by project officers in the regions and at National Headquarters. The objectives of this permanent monitoring group are to:

- provide assurance that grant and contribution funds are being managed and expended in accordance with program terms and conditions;
- highlight key areas of risk and provide guidance on approaches to mitigate those risks;
- contribute to knowledge transfer through the Department; and
- co-ordinate activities with other monitoring functions carried out within HRDC and by external agencies in order to ensure adequate coverage without duplication of effort.

The work of the Performance Tracking Directorate includes reviewing samples of the complete life cycle of active files. By definition, the sample will include files that have closed during the period under review. We would differentiate here between dormant files and closed files. Dormant files are files that were inactive prior to March 31, 2000. Closed files are files that became inactive during the normal operational cycle after April 1, 2000.

At present, the Directorate during its normal sample selection process, has not yet examined the required number of files at the close-out phase to provide statistically valid results of this close-out phase of the project life cycle. This is a key commitment of the Directorate to Senior Management. Accordingly, the Directorate has committed to a special selection of files at the close-out stage should the normal sample selection process not produce the required number of cases.

We also note that there will be instances where a file, or files, will require even closer scrutiny. This may be due to the work of the Performance Tracking Directorate, or brought to HRDC's notice in some other ad hoc manner. In situations such as this, we recommend that the review be carried out by someone other than the officer responsible for the file. The Internal Audit Bureau or a private sector auditing company could be contracted to conduct the review.

This recommendation should be documented in the Grants and Contributions Manual.

We also recommend that the Internal Audit Bureau should include the operations of the Performance Tracking Directorate in its regular cyclical review of Accounting Operations.

It is important to note that the above-noted recommendations do not diminish the responsibility of program managers and project managers in the exercise of their accountability and control responsibilities for grant and contribution programs. As evidenced by the revised TBS policy on Transfer Payments, appropriate controls must be in place at the selection, approval and monitoring stages of grant and contribution projects. [4]

[4] In June 2000, TBS revised its *Policy on Transfer Payments* so that departments establish policies and procedures to ensure that: effective financial and program controls are designed and implemented within departmental transfer payment programs; and due diligence is exercised in the selection and approval of transfer payments.

APPENDIX A

Criteria reflecting High Risk of Overpayment

	Project Attribute	High Risk Condition
1.	Amount	· project over $100,000 · initially below $100,000, amended above · inappropriate amendments
2.	Sponsors	· third party deliverer · more than one project · weak management framework · inappropriate or unqualified staff · consortium of organizations with weak management frameworks
3.	Project selection or screening process	· formal plan or proposal not required · no objective or "expert-driven" process
4.	Nature of Program and deliverables	· new program · no program management control framework/results based management in place, or used · vaguely defined project deliverables · administrative and approval process non-routine · HRDC areas deliver both grant and contribution agreements · project has few stakeholders, deliverables not completed until after the period of the agreement · HRDC staff incompletely trained, lack of segregation of duties, no in-kind contributions by other sponsors
5.	Terms and Conditions	· vague · not acknowledged by sponsor · agreements less than one year · no prohibition to pay expenses to related parties · no requirement to repay overpayments

	Project Attribute	High Risk Condition
6.	Disbursements	· advances are made · unapproved disbursements are made · in multi-year agreements, projected and actual costs not reconciled annually · foreign currency transactions · late year (March) transactions · poor segregation of duties · no holdback provision
7.	Monitoring of Project (project progress and financial)	· no monitoring · excessive workload of POs · no on-site monitoring · inexperienced POs
8.	Audit	· Ts & Cs do not require an audit · no comment by external auditor on Ts & Cs · Ts & Cs require audited statements - no review by HRDC
9.	Responsibility for delivery	· completely delivered by PO · no supervision evidenced by signature · project approval · selection of sponsor · contracts · monitoring reports